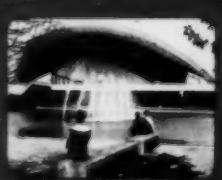
A UNITED STATES DEPARTMENT OF COMMERCE PUBLICATION

March 16, 1970

# International Commerce

## Japan's boom draws traders' attention

## Latin America's elusive target: economic integration



## Germany strives to steady its surging growth

A U.S. DEPARTMENT OF COMMERCE WEEKLY

# International Trade Winds Company News

REFRIGERATION— Borg-Warner Corp., York, Pa., and Brown, Boveri & Cie A.G., Mannheim, Federal Republic of Germany, are forming jointly owned manufacturing and marketing companies to provide industrial refrigeration and air conditioning equipment to the European market. Both under the name Brown, Boveri-York, the two new joint venture companies will be headquartered in Ladenburg, Germany.

BUILDING MATERIALS—Construction Materials International, Inc., Fort Washington, Pa., has acquired the assets of Excalibur Surface Coatings, Ltd., Montreal. CMI specializes in the manufacture of building materials and in the development of building systems. Excalibur makes building surface materials which are inorganic, fire-resistant, non-toxic and acid repellent. The Canadian firm's patents and patent applications for surface coatings and systems in 37 nations were included in the transaction.

COMMUNICATIONS—General Telephone & Electronics International, subsidiary of GT & E Corp., New York, received a contract to provide two high-capacity microwave communications systems for the transmission of color television in England. The equipment will be supplied to the Independent Television Authority (ITA) of the U.K., which will install it in two separate locations in Somerset and Norfolk counties. The systems are expected to be operational by this June.

METALS—The formation of Penamax G.I.E., a French venture, to represent the joint nickel development interests in New Caledonia of American Metal Climax, Inc. (AMAX), New York and Societe Miniere et Metallurgique de Penarroya S.A. has been announced. The new organization will be headquartered in Paris and will be represented in New Caledonia by Lois Pouradier-Duteil, AMAX and Penarroya have signed a series of agreements to acquire mining properties, establish a mining operation, undertake studies and development of new metallurgical processes for nickel extraction and provide financing for the projects. Initial production should begin in 1975 and amount to about 100 million pounds of nickel and by-product cobalt annually.

# Newsletter

Thirty-six U.S. electronics manufacturing firms got together for a between-regular-shows promotion at the Tokyo U.S. Trade Center last month. Their mutual Japanese representative, Seki & Co., Ltd., arranged the presentation and sent out 8,000 invitations to executives in the Japanese electronics industry. The 1,132 who came generated sales expectations of $788,000 in the next 12 months. Seki now plans a followup promotion at the Trade Center in July.

Earlier, nine other U.S. electronics manufacturers joined at a Center between-shows event aimed at customers in the Japanese computer and peripheral equipment fields, and numerically controlled machine tool and electronic measuring device and component makers. The promotion was arranged by the Rikei Corp., which expects sales in the seven-figure bracket to materialize in the next 12 months.

Single company exhibitions have also found display space at the Tokyo U.S. Trade Center, the latest being a show of test systems produced by the IPT Corp., Mountain View, Calif. IPT's Tokyo representative, Hoyo Electronics, set up the showing in the Center's lounge, and IPT president Thomas S. Edwards personally participated.

The accent was on representation at the February show of biochemical test and control equipment at the London U.S. Trade Center. Laboratory Data Control, for one, reported being swamped by interested solid prospects, and appointed one for the U.K. while still negotiating with continental European candidates. Electro-Nucleonics signed a Netherlands agent, and started negotiations for reps for the U.K. and Denmark. Hotpack Int'l, already established in the European market, opened talks with representation candidates for Finland and the Netherlands.

Tulsa, Oklahoma, deep in the U.S. heartland, will join the list of America's port cities. Tulsa's Port of Catoosa is scheduled for completion this year. It is at the head of navigation on the Arkansas-Verdigris System, which extends for 440 miles and climbs a 420-foot-high stairway of 17 locks and dams as it makes its way across Arkansas and eastern Oklahoma, passing Little Rock and Fort Smith. The system will serve producers in a six-state area.

NOTICE: This information is offered to preview or provide informally brief and varied comment on Bureau of International Commerce worldwide export and investment promotions. It is not final and does not substitute for the detailed know-how and analysis in our regular news columns.

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## in this issue

INTERNATIONAL COMMERCE is proud to include U.S. Ambassador to Japan Armin H. Meyer among its authors this week. Ambassador Meyer, whose article is on page 2, is a veteran of 24 years of State Department service. Starting as a public affairs officer in Baghdad, he became Deputy Chief of Mission at the U.S. Embassy in Beirut in 1952, followed by a similar assignment in Kabul. After serving in the Department in Washington for several years, he was appointed Ambassador to Lebanon in 1961, to Iran in 1965, and has been our Ambassador to Japan since last spring.

March 16, 1970
Volume 76
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# International Commerce

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# Ambassador to businessmen: make most of EXPO '70 visits

## Invites travelers from U.S. to use Embassy, Consulate, Tokyo Trade Center facilities

By ARMIN H. MEYER
*American Ambassador to Japan*

EXPO '70 will attract among thousands of visitors a substantial number of American businessmen who might not otherwise have found an occasion to visit Japan. I would like to encourage them to take advantage of their presence in Japan to learn more about this booming economy, and especially to investigate how the goods or services of their companies might fit into this growing market.

MEYER

Since the businessmen attracted to Japan by EXPO '70 will probably have only a limited amount of time to investigate trade opportunities here or to get a feeling for the business climate, and will want to use that time as profitably and efficiently as possible, I invite them to utilize the services of the Commercial Sections of the American Embassy at Tokyo or of any of the four American Consulates, which are located at Osaka-Kobe, Nagoya, Sapporo, and Fukuoka. Staffed with experienced American Commercial Officers and Japanese Commercial Specialists, they are equipped to assist and advise business visitors and, because of their knowledge of local conditions and developments, can often save them a great deal of time.

Because we do expect a large increase in the number of visitors during the period of EXPO, it would be helpful to us if businessmen planning to make use of these commercial services would notify us in advance as to when they expect to arrive, and of any particular interests they might have. The Department of Commerce, through its Field Offices, is prepared to arrange for such advance notification.

I would also like to invite business visitors to Tokyo to inspect the facilities of the U.S. Trade Center here, and to talk with the Director and his staff. We have had a number of very successful exhibits, on a variety of themes, over the past several years, and the schedule for the coming months looks just as promising. I believe many American manufacturers might find it very worthwhile to investigate the possibility of participating in one or more of the exhibitions now being planned for the future.

We are of course concerned about the growing imbalance in the U.S. trade with Japan. U.S. exports to Japan must grow even faster than at the current rate if this unfavorable balance is going to be changed. I would hope that many visitors to EXPO '70 might find it possible to combine business with pleasure, and to use the opportunity to seek new sales opportunities in this vast market. We are desirous of helping in any way we can.

# Japan roars into '70s

## Nation's newly orbited satellite seen symbol of rocketing production indices

By JOHN F. SHAW
*Counselor for Commercial Affairs, U.S. Embassy, Tokyo*

Japan moved into the seventies with all production indices showing rates of growth comparable to the lift of the Lambda 4S rocket as it left Tokyo University's firing range at Ohsumi Peninsula and streaked into history on Feb. 11. This successful launch enabled Japan to become the fourth nation in the world to orbit an artificial satellite (others have been the United States, the USSR, and France).

Japan also entered the new year having further cemented its position of being among the leading industrial nations of the world. In the four years since the start of Japan's current economic boom, Japan's gross national product (GNP) has grown better than 17% a year in nominal terms from a level of $88.3 billion in 1965 to $167.4 billion estimated for 1969. This growth in real terms amounts to more than 12%. During this same interval the per capita GNP has increased from $899 to $1,640.

Japan's exports in calendar year 1969 totaled over $15.7 billion and imports on a f.o.b. payments basis are estimated at $12 billion. In 1969 Japan had an export surplus of $3.8 billion in its trade account and a surplus of $2.3 billion in its overall balance of payments.

The United States, which is Japan's most important trading partner, has shared in Japan's phenomenal trade growth over recent years. Two-way trade in 1969, based on U.S. Census data, totaled $8.4 billion, with U.S. exports to Japan—our second largest market—amounting to $3.5 billion and U.S. purchases of Japanese goods valued at $4.9 billion. The U.S. trade deficit with Japan last year increased from $1.1 billion in 1968 to $1.4 billion.

All current projections for 1970 indicate that the Japanese economy will continue the upward trend registered in recent years. However, its growth rate may be slightly lower than in 1969 due to such factors as (1) a decline in the rate of expansion in plant and equipment investments brought on by tight money measures taken since last September; and (2) some decline in exports as a result of a possible business slowdown in the United States. On the other hand growth in personal consumption expenditures and housing investment is expected to remain at or only slightly below the rates recorded in 1969 while Government expenditures are expected to accelerate.

Japan's GNP, which is already the second largest in the Free World, is officially forecast to register, in real terms, a 11.1%



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growth in fiscal 1970 (ending Mar. 31, 1971), as compared to an estimated 13.2% rise in 1969. Most private banks and other organizations anticipate a GNP rise of 12 or 13%.

The Government anticipates a 4.8% rise in consumer prices in fiscal 1970 (5.7% in fiscal 1969) and a 1.9% rise in wholesale prices (3.2% in fiscal 1969). Rising prices will continue to be one of the most serious problems to be tackled in 1970 in company with housing and public nuisances such as air and water pollution. Wages may rise 17-20% in 1970 depending on the outcome of the forthcoming spring labor offensive. Since 1968 nominal wage increases have been slightly outstripping gains in productivity.

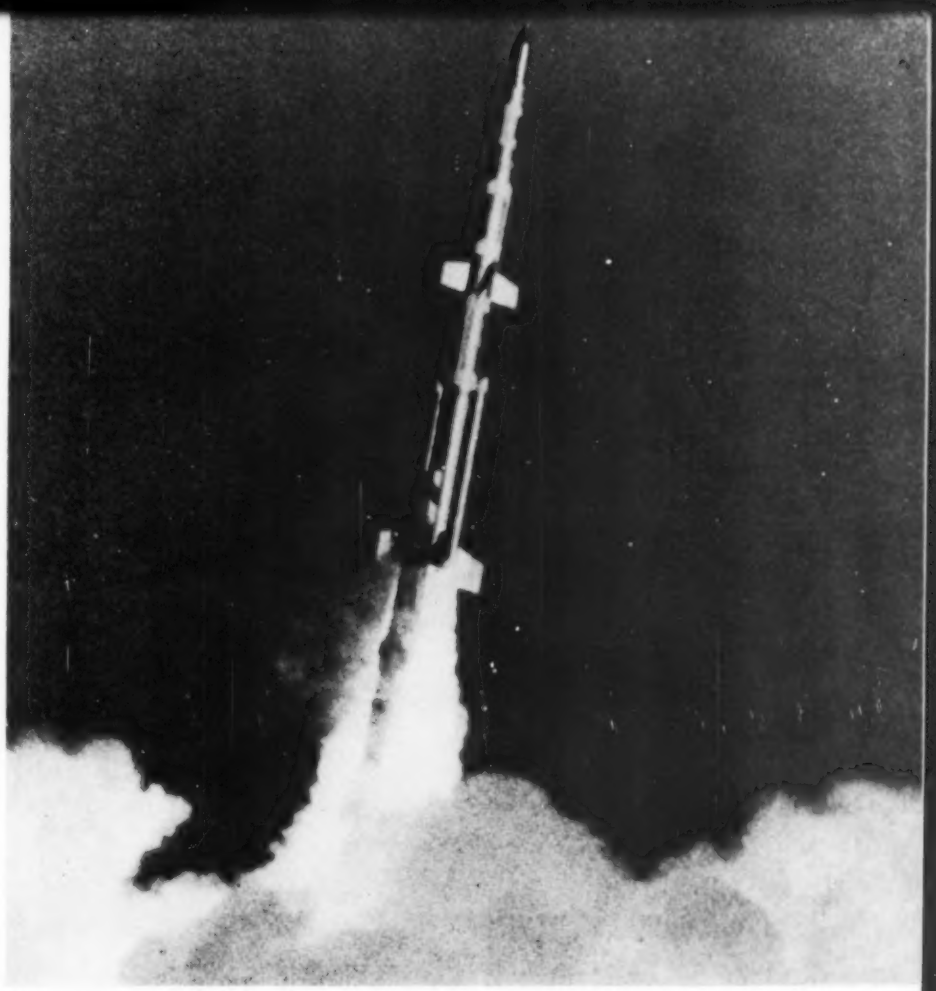
Japan's overall foreign trade will amount to nearly $34 billion (f.o.b. basis) in fiscal 1970 with exports growing an estimated 16% and imports an estimated 15% over fiscal 1969 ($14.5 billion imports; $19 billion exports), according to recent private projections. Two-way trade between the United States and Japan is also expected to reach a level of about $9.5 billion, with U.S. sales to Japan totaling about $4 billion.

A recent evaluation by a major Japanese bank covering Japan's economic potential for the next decade—barring a major shift in U.S.-Japanese commercial relations and/or the free world trading system—indicates a growth of 15.1% per year in nominal terms through 1975 and 14.3% per year during 1975-80. If this were to happen Japan would emerge from this decade with a GNP of $679 billion and a per capita GNP of nearly $6,000. In real terms the bank expects the GNP to grow at a rate of about 10% throughout the decade.

## Private equipment investment

Private plant and equipment investments have taken the lead in Japan's rapid economic growth in recent years. These investments totaled an estimated $34.7 billion in fiscal 1969 (up 26% from the previous year) and are officially projected to $40.5 billion in fiscal 1970 (up 24%). The Japan Development Bank survey on fiscal 1969 equipment investment by industries indicates that in the manufacturing sector, non-electrical machinery, electrical machinery, non-ferrous metals, chemicals, petroleum refining, and most other industries showed high rates of growth. Only the automobile industry showed a relatively slower rate of investment. In the non-manufacturing sector, electric power showed a substantially high rate of equipment investment.

The brisk pace in equipment invest-



ROCKETING INTO THE 1970's, Japan symbolized the strength and rapid growth of her economy at the launching of the nation's first satellite on Feb. 11. Another growth industry of the '70's, nuclear power, will get a boost from this plant at Tsuruga, below, which is due for completion by the end of March.

## Hitching a ride to EXPO

San Francisco is one of three foreign cities staging exhibits at EXPO '70, and this cable car was shipped to Osaka to provide an authentic touch. In addition to the cities, 76 nations, 6 states or provinces, 4 international organizations and 30 private pavilions will be featured at the first World's Fair to be held in the Far East. The U.S. National Pavilion will feature exhibits on space, sports and folk art, while the United States Travel Service is mounting its own special exhibit on U.S. tourist attractions.

The only foreign pavilions in the private section of the Fair are American, including exhibits by Coca Cola, American Barbecue, Sunkist, Miles Laboratory and Britannica (Japan). The Japanese subsidiaries of several U.S. firms, including Pepsi Cola and IBM, are also participating.

About fifty million visitors, including two to three million non-Japanese, are expected to attend EXPO '70, which began this weekend and closes Sept. 13.

ments will continue in 1970 due to a number of factors:

► Need to cope with growing labor shortages and rising labor costs.

► Despite the high rates of investments in recent years (average increase of 25% a year since 1966), Japan's industrial capacity has failed to meet the ever growing demand.

► Where plant expansion in the past may have related primarily to chemical and heavy industries, it is now more diversified with investment in tertiary industries increasingly brisk—for example, leisure industries, housing and distribution enterprises. One critical area of concern to the Ministry of Transportation and agencies of the Government concerned with EXPO '70 is the shortage of hotels for foreign visitors.

► Corporate profits have been good, having risen now for four consecutive years. This has enabled some enterprises to set aside funds for expansion and others to acquire investment funds through inter-enterprise credits or export financing.

Surveys by the Ministry of International Trade and Industry and the Economic Planning Agency, in their review of fiscal 1969-70 plant and equipment investment schedules and corporate management programs, revealed that nearly 60% of the enterprises responding to the inquiries expected to increase their investments.

Of particular note was the Feb. 20 announcement of the Electronic Industries Association that the demand for electronic and telecommunication equipment and apparatus in calendar year 1970 would amount to $9.4 billion, up 26% from the previous year. This industry is regarded by many as the growth industry of the decade of the seventies.

In the Embassy's opinion, the planned private capital equipment expenditures offer attractive export possibilities at this time for building equipment and materials including central heating and air conditioning equipment; automobile maintenance and repair service equipment; production equipment for electronic industries; automated materials handling equipment; business machines embodying multiple functions; numerically controlled machine tools; electro-medical equipment; fine chemicals for dyestuffs, coating materials, pharmaceuticals and cosmetics; light aircraft, and commercial aircraft.

### Consumption outlays significant

Personal consumption expenditures, which have risen from 12-16% a year since 1965, are forecast to rise 15.9% in fiscal 1970 and reach a figure of $102.8 billion. The tempo and magnitude of these expenditures are a strong force in the economy. Income from interests, rents, dividends and other property is also showing steady gains along with expansion of the economy.

Department store sales, a prime indicator of personal consumption expenditures, are at record levels. Furniture, carpeting and other household goods, and electric appliances (particularly TV sets) are in strong demand, with items such as color TV sets and expensive furniture being purchased by medium income people.

The Embassy believes there is popular acceptance of western consumer goods and an increasingly effective demand. This is illustrated by preliminary 1969 data on the following selected items which show imports increasing at ratios considerably in excess of the 15.7% level by which all imports rose in 1969: glass tableware (28.8%), electric shavers



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(52.5%), pet foods (72%), candies (59%), chocolates (37.7%), soap (85%), perfumes and cosmetics (52%), and leather shoes (60%).

The Mitsukoshi department store, one of Japan's oldest and most successful, is promoting an America Week event during the month of September. The management is currently arranging for special exhibitions and is desirous of staging special promotions of U.S. merchandise throughout their operations. This event promises to provide an important opportunity for the sales of a broad range of American consumer goods. U.S. firms interested in participating in this consumer goods promotion should contact the American Embassy in Tokyo or Mitsukoshi.

## Private housing investments

Private housing investments are expected to reach $14.6 billion in fiscal 1970, increasing about 24% above the previous year. This brisk growth reflects the absolute shortage of housing, the rapid division of households into smaller units, increased personal assets including the availability of more home loans, and the increasing purchase of houses as a hedge against inflation.

There is considerable press speculation that in the seventies housing will become the nation's main industry—replacing automobiles and electronics. The Ministry of Construction is promoting industrialization of housing, which involves mass production through prefabrication and land integration. While heretofore small and medium building material manufacturers and realtors have tried to handle housing needs, the larger enterprises—trading groups such as Mitsubishi, Mitsui and Sumitomo; electric manufacturers such as Hitachi, Matsushita and Toshiba; railway companies such as Tokyo and Seibu; and other leading industries—are tackling the job.

Total energy requirements in fiscal 1970 are expected to exceed fiscal 1969 consumption by 12%. Current forecasts see growth over the next five years at an average rate of 9.7% per year. The presently heavily-subsidized domestic coal production of 46 million metric tons will decline as a result of nationalization measures to a level of 35 million tons in 1973.

The contribution of hydropower to Japan's energy resources is not expected to increase significantly as most local sources of hydroelectric energy are fully developed. The input of natural gas can be expected to increase due to liquefied natural gas (LNG) imports from Alaska (commenced in 1969), and from Brunei and Abu Dhabi (1972 and 1975). The Government is encouraging the import of LNG due to its low sulfur content and because it represents an additional source of energy. Its share of the total energy market is not expected to become significant in the next 5-10 years. On the other hand petroleum, which five years ago supplied about 60% of Japan's energy requirements, will account for 70% of the market in 1970 (66.5% in 1968). Of this Japan must import 99.9% and will spend $2.6 billion in 1970, representing about 18% of Japan's total projected import bill.

In order to reduce dependence on imported petroleum, reduce foreign exchange burdens, and reduce pollution from fuel oil, Japan is continuing its nuclear power program. By 1975, fifteen nuclear power generating plants are expected to be operational. One is operational at the present time; one was due to become operational (Tsuruga) in March 1970; and seven are under construction. Under this program, nuclear power generation will increase from a negligible amount today to 3.4% of total energy in 1975 and account for 10% of the total power generation.

The nine electrical power companies of Japan plan to initiate construction of additional facilities in fiscal 1970 having a total capacity of 15,940,000 kilowatts. According to plans for 1970, the ratios for hydroelectric, thermal and nuclear power plants are 1:7:2.

## Building inventories

Inventory acquisition will take place in 1970 as enterprises continue to eat into existing raw material stockpiles. However, enterprises do not appear to be in a speculative mood and all projections indicate inventory investment activities will con-

# Market profile—Japan

**Natural resources:** Land, four main islands totaling about 147,000 square miles—a little larger than Montana. Minerals, low-grade bituminous coal, iron pyrites, limestone, and sulfur. Forestry, heavily forested but substantial quantities of logs and lumber imported. Fisheries, annually world's second largest catch; important source of food and export item.

**Population:** 102.6 million, October 1969, growing by about 1% annually. Capital city, Tokyo, 9 million; second largest, Osaka, 3 million. Language, Japanese, although English widely used for foreign trade transactions.

**Economy:** GNP, $167.4 billion in 1969, 13.3% increase in real terms over 1968. Average annual real growth rate over past decade, more than 10%. Per capita GNP in 1969 estimated at $1,640. Industry, first in world in shipbuilding, motorcycles, watches; second in automobiles, petrochemicals, TV sets; third in steel, paper, cement. Production index of selected industries, November 1969 (1965=100): food processing, 125.7; textiles, 140.1; chemicals, 192.2; petroleum, 216.4; iron and steel, 220.6; nonelectric machinery, 243.9; electric machinery, 327.

**Finance:** Unit of currency, yen; 360 yen=US$1. Gold and foreign exchange reserves, end 1969, $3.5 billion. Overall balance-of-payments surplus, 1969, $2.3 billion; trade surplus on payments basis, $3.8 billion.

**Imports:** $15 billion, 1969; $13 billion, 1968 (Customs c.i.f. data). Principal suppliers, U.S. (27%) and Australia. Principal imports: petroleum and coal, electric and nonelectric machinery, metal ores and concentrates, logs and lumber, and grains.

**Exports:** $16 billion, 1969; $13 billion, 1968. Principal markets, U.S. (30%) and South Korea. Major exports: electric and nonelectric machinery and appliances, iron and steel mill products, textiles, chemicals, and transport equipment.

**Trade policy:** All commercial imports require license but most goods freely importable. Government encourages raw material imports for processing and export. Controls imports of some equipment and agricultural products considered competitive with local production.

**Foreign investments:** During April 1950-September 1969, 683 validated joint ventures or subsidiaries established; U.S. accounted for about 70%. Total private direct investment by U.S., end of 1968, estimated at $1,048 million (U.S. Commerce Department data). Restrictive policy toward direct equity investment by foreigners; will rarely approve joint ventures in manufacturing where foreign partner has controlling share of equity or management. More favorable toward licensing agreements.

VIGOROUS SHIPBUILDING INDUSTRY continues to supply the supertankers with which Japan imports 99.9% of her petroleum requirements. Petroleum shipments account for 18% of Japan's total import bill.

tinue at about the same rate of rise as in fiscal 1969. With reference to items of historical interest to U.S. trade with Japan, the following projections are of significance:

Japan's requirements for coking coal are projected at 45 million metric tons; this is an increase of 15% from 1969. Of this amount, about 21 million tons are expected to come from the United States, an increase of about 10% over 1969.

Japan's requirements for iron ore are estimated at 98 million tons; this is an increase of 15% over 1969. Of this amount, 3.3 million tons, an increase of 10%, will come from the United States. Japan's requirements for scrap iron continues to grow and imports in 1970 are estimated at 5.5 million tons, an increase of 10% over 1969. Of this amount, 4.2 million tons will come from the United States; this too represents an increase of 10% over the previous year.

## U.S. shipments dip

Imports of softwood logs from North America, New Zealand and the USSR are estimated at 15,850,000 cubic meters —about 5% larger than in 1969. Imports from the United States will amount to about 7.6 million cubic meters, a 1.1% decrease.

Japan is expected to import 720,000 metric tons of raw cotton during the year beginning Aug. 1, of which about 142,000 tons will come from the United States.

The demand for leather goods continues strong. Imports of hides and skins are expected to total 220,000 tons. Imports of beef tallow benefit from the growing demand from various manufacturing industries. Imports in 1970 are expected to reach 300,000 tons, an 11% gain over 1969.

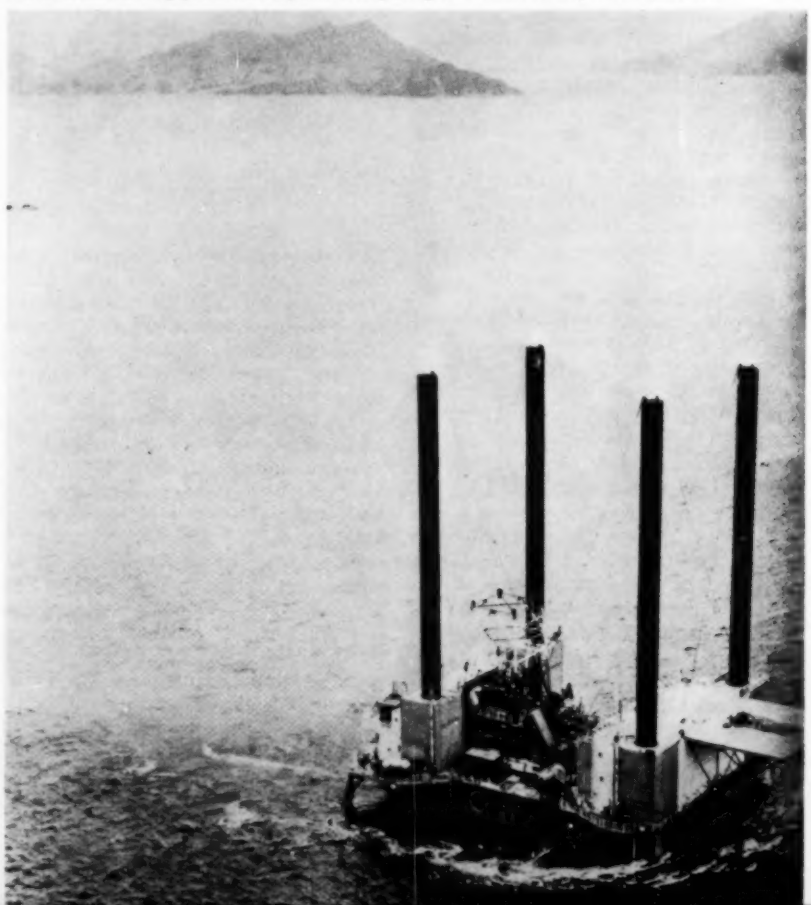
Japan's dependence on foreign foods has doubled in the past ten years. The Ministry of Agriculture and Forestry estimates that Japan's rate of self-supply of foods has dropped below 80%. Traditional Japanese items such as bamboo shoots, green tea, and chestnuts are being imported in increasing quantities. In 1960 Japan was entirely self-sufficient in fruits but the rate of self-supply has now dropped to 89%. For many key agricultural products, Japan is highly dependent on foreign countries; for example, soybeans, 93%; wheat, 80%; barley, 40%; and sugar, 74%.

## Needs more foodstuffs

Japan's imports of most basic foodstuffs are expected to expand during 1970, offering the United States increased opportunities for selling wheat, soybeans, barley, beans, citrus fruits, Hawaiian papayas, and other items. In addition, with rising incomes there are increased opportunities for marketing a broad range of candies, biscuit and other processed foods, including pet foods.

Larger global quotas on chocolate and other confectionary items have resulted in an expansion of U.S. exports, as have the quota improvements on high quality beef, fruit juices and beans. Since quota liber-

SEVEN-YEAR OCEAN DEVELOPMENT PLAN places heavy emphasis on searching for offshore oil deposits. This Mitsubishi drilling platform is capable of exploring to a maximum depth of 26,000 feet.





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# '70 U.S. promotions in Japan listed

**A full schedule of promotions sponsored by the U.S. Department of Commerce is on tap for Japan in 1970. Exhibitions at the U.S. Trade Center in Tokyo, commercial and solo exhibitions, and a series of private between Trade Center show promotions are planned.**

**The Trade Center program for the following months includes these exhibitions: Apr. 6-11, Frozen and Convenience Foods Show & Seminar, sponsored by the U.S. Department of Agriculture; May 18-23, Metal Surface Treatment Equipment; June 29-July 4, Materials Test Equipment; July 13-18, Equipment for the Metal Processing and Metallurgy Industries. Plans are now being completed for the following Trade Center shows for the year: October, Sewage & Water Treatment; November, Advanced Fluid Power and Fluidics Equipment; December, Plastics Production Equipment.**

**Commerce will stage all-U.S. exhibitions at two international trade fairs in Tokyo: Apr. 10-20, Electronics Fair, and Sept. 22-28, TOKYO PAC. A U.S. solo exhibition, Computers and Peripheral Equipment, will be mounted in Tokyo, Oct. 13-18.**

**Between show promotions, usually procured overseas through the Trade Center staff, are mounted between the regular schedule of Trade Center events. Four such shows are now set for May and June: May 4-8, the Nissho-Iwai Co. displaying electronic ranges; May 29-June 5, Izumiya, Ltd., representing five American firms, showing pantomatching systems; June 8-13, The Tokyo Trading Co., representing 20 U.S. firms, displaying electronic and nucleonic equipment.**

**In addition to the promotional activities of the Trade Center, rotating window displays are mounted.**

alization, Japan's imports of bourbon have increased more than 240%, from $90,000 in 1968 to $308,000 in 1969, and this was achieved without a major sales campaign.

During the past year there has been some movement toward greater trade liberalization. On Oct. 1 Japan transferred more than 100 items from the Automatic Import Quota (AIQ) licensing system to Automatic Approval (AA) licensing and simultaneously liberalized five Import Quota (IQ) items as follows: thermionic valves and tubes, automatic printing machines, industrial sewing machines, brandy, and liqueurs (see INTERNATIONAL COMMERCE, Oct. 27, 1969).

## More items removed

In mid-February of this year, the following nine additional items were removed from the IQ list: unrendered pig fat, grape must, wine, vermouth, straw mats, straw sacks, wool fabrics, used cars, and automobile and tractor chassis fitted with engines. Several more items are expected to be removed about April 1.

Earlier, reflecting a decision taken on Oct. 17, 1969 by those members of the Japanese Cabinet who are concerned with trade liberalization, the Japanese Government had announced that, with respect to the 120 items then under IQ control, which it agrees are "illegal" under rules of the General Agreement on Tariffs and Trade (GATT), it would liberalize at least 55 items by the end of December 1971 (the products were listed in INTERNATIONAL COMMERCE of Nov. 3, 1969). Of further importance, however, the announcement indicated that the Cabinet members recognized the necessity for Japan "to promote further liberalization of imports" and stated that the Government "should make further efforts to increase the number of items to be liberalized to the level of 60 or more by the end of December 1971." This reaffirmed the Government's previous commitment to reduce the IQ list by at least 50%.

## Increasingly attractive

The extent of trade liberalization already achieved coupled with strong industrial demands and higher standards of living makes Japan an increasingly attractive export market. To assist U.S. firms in becoming acquainted with developments in the market, a wide variety of services are available—through the U.S. Department of Commerce and its field offices located in 42 United States cities. To enable U.S. exporters to reach those sectors of the Japanese market which offer the most attractive sales opportunities at this time, a number of trade shows are planned for 1970 in Tokyo (see accompanying box story).

Given Japan's high economic growth rate, increased foreign exchange earnings, and rising per capita incomes, Japan today is an extremely attractive export market not only for raw materials but also for capital and consumer goods. The demand for many U.S. products is already here. The market can be reached if U.S. industry is prepared to allocate resources directed to the market and make the selling effort involved in letting the Japanese buyer know that his goods are available.

**SURGING ECONOMIC GROWTH is in part due to Japan's improved transport network linking industrial areas. This is part of Japan's first superhighway, which connects Kobe, Kyoto, Nagoya and Osaka.**

# U.S. free trade policy must also assure fair treatment, official says

## Davis sees failure by Japan, Common Market to understand American firmness as undercutting expansionist progress

The free trade approach of the U.S. Government and many American business leaders must not be misunderstood abroad as a willingness to accept competitive inequities, a Commerce Department official told a major U.S. trade association this month.

"We must keep moving ahead toward trade expansion. But now we must insist more firmly on receiving fair competitive treatment—treatment which just isn't being given to us by many of our trading partners," said Kenneth N. Davis, Jr., Assistant Secretary of Commerce for Domestic and International Business.

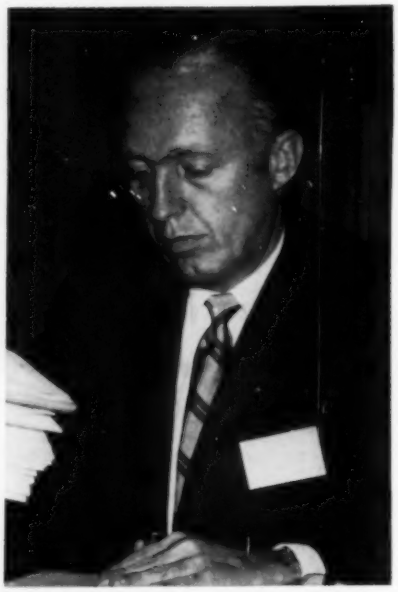
"Foreign misunderstandings of U.S. intentions in the trade field can be most unfortunate," he declared. He gave as examples "the failure of Japan to understand the firmness of the U.S. intent to secure reasonable limitations on textile imports to this country that may well result in protectionist U.S. legislation soon," and the failure of Common Market leaders "to be more constructive in working on non-tariff barrier reduction with us, to take more progressive steps in its agriculture policy, and to recognize that we cannot stand idly by while it makes trading agreements which discriminate against the U.S."

The latter difficulty, he commented, is endangering the passage of the Trade Act of 1969. That bill contains repeal of the American Selling Price system of chemical import valuation, a change, he said, long sought primarily by Europe.

Davis was speaking to a conference of the Electronic Industries Association. He brought up a trade issue of direct interest to his audience, a French-German-British accord that he said would impose discriminatory inspection standards against electronic components made outside those countries.

"The EIA has estimated that U.S. exports of electronic components to Europe could be reduced by as much as 35% under the new restrictions. We could not help but be very disappointed with the lack of interest shown by the Common Market officials when we raised this matter with them," Davis declared.

The Commerce Department official noted a number of disparities in press reports on what Common Market leaders said they had learned in recent trade talks in Washington, and what had actually been told to these leaders in discussions at the Commerce Department.



ASST. SECRETARY DAVIS

Davis said that apparently the Common Market leaders believe the U.S. is no longer concerned over European border taxes, and they were not inclined to start non-tariff barrier removal negotiations until after 1971, while expressing alarm about the American Selling Price system and quota bills in the U.S. Congress, and interest in U.S.-Japan textile discussions.

All of these expressions, he said, showed that the U.S. and the Common Market are far apart in their thinking, and, most troubling of all, he observed, "there does not appear to be recognition by the Europeans that there are serious differences between us which need attention now."

He made these comments on several of the points of difference:

"The U.S. considers European border taxes a major non-tariff barrier, particularly with respect to export rebates in sales to third countries in competition with U.S. suppliers.

"We are concerned about the prospect for obtaining Congressional approval of the repeal of ASP, both because of the lack of a textile agreement and because little progess is being made with Europe toward non-tariff barrier reduction.

"Common Market preoccupation with enlargement of the European trading area through agreements with other European and Middle Eastern countries on a basis which discriminates against the U.S. is a matter of grave concern.

"The Common Market view that non-tariff barrier negotiations probably can't start until after 1971 is most discouraging to the U.S. Such a long delay will result in strong objections by many important elements in U.S. industry. Europe and the U.S. should be eliminating barriers today in such significant areas as government procurement."

# Pa. Export Corps to hear Governor

## State trade promotion group to hold meeting Apr. 7 in Philadelphia

Both the Governor and Lieutenant Governor of Pennsylvania will make featured appearances at the Pennsylvania Export Corps' Fourth International Trade Seminar on April 7. Gov. Raymond P. Shafer will address the luncheon and Lt. Gov. Raymond J. Broderick will host the dinner at the day-long meeting in Philadelphia's Warwick Hotel.

The meeting will be sponsored by the U.S. Department of Commerce's Philadelphia and Pittsburgh Field Offices, Pennsylvania Department of Commerce, Governor's Committee of 100,000 Pennsylvanians, Pennsylvania Manufacturers Association, Pennsylvania Bankers Association, Pennsylvania Chamber of Commerce, Greater Philadelphia Chamber of Commerce, Greater Pittsburgh Chamber of Commerce, Foreign Traders Association of Philadelphia, Northeast Philadelphia Chamber of Commerce, Delaware Valley Council, and Delaware River Port Authority.

Nine leading Pennsylvania export figures will serve as seminar speakers and panelists, covering such topics as: planning a profit-oriented export program; organizing a goal-centered export sales force; and, administering intra-company export services.



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MONTHLY SUMMARY

# February trade moves included 1st escape clause finding for industry

## Kennedy Round reductions on imported pianos suspended; Congress, Tariff Commission, GATT, Treasury, also active

*This article is another in a series of monthly reports outlining actions in Congress or elsewhere in Government, or by foreign or international bodies, affecting world trade, as noted by staff members of the Bureau of International Commerce's Trade & Commercial Policy Division.*

### WHITE HOUSE

*Cabinet Task Force Report on Oil Imports*—On Feb. 20, President Nixon released to the public an interagency task force report on the first comprehensive review of the Oil Import Control Program since its inception in 1959 under a statute authorizing the president to limit imports that threaten to impair the national security. The report contains differing views and recommendations of the Task Force members. The President also announced the establishment of a new Oil Policy Committee to set policy for the oil import program. The committee will be chaired by the Director of the Office of Emergency Preparedness and will include the Secretaries of Commerce, Defense, Interior, State and Treasury, the Attorney General and the Chairman of the Council of Economic Advisors.

The President also indicated that the Task Force recognized the advantages of an integrated North American energy market. He has, therefore, directed the Department of State to continue to examine with Canada measures which would permit a freer exchange of petroleum, natural gas and other energy resources, and to explore the possibility of entering into an energy exchange agreement with Mexico.

*Escape Clause Action on Pianos*—On Feb. 21 the President proclaimed a suspension of further Kennedy Round tariff reductions on upright pianos, restored the rate of duty to the Kennedy Round's second stage, and authorized firms and groups of workers in the industry to apply to the Secretaries of Commerce and Labor, respectively, for adjustment aid.

This is the first time that tariff relief from import competition has been afforded to a U.S. industry under the escape clause provisions of the Trade Expansion Act of 1962. Furthermore, if any firms in the industry apply to the Department of Commerce for adjustment assistance, theirs would be the first applications by firms since the program was enacted.

The tariff action taken by the President returns the rate to 13.5% ad valorem (the 1969 rate) from 11.5% (the scheduled 1970 rate) and defers for three years further scheduled Kennedy Round rate reductions on all pianos, except grands. Unless the escape clause rate is continued by the President in 1973, the Kennedy Round reductions will resume, with the final stage rate of 8.5% becoming effective in 1975 instead of 1972.

The President's action was preceded by a Tariff Commission finding that pianos are, as a result in major part of trade agreement concessions, being imported into the United States in such increased quantities as to threaten to cause serious injury to a domestic industry (INTERNATIONAL COMMERCE, Jan. 12).

*Escape Clause Action on Sheet Glass*—On Feb. 27 the President proclaimed a new escape clause action on sheet glass. The action established tariff relief on window glass (one type of sheet glass) and provided that firms and workers in the sheet glass industry may request the Secretaries of Commerce and Labor, respectively, for certifications of eligibility to apply for adjustment assistance. In so doing, the President accepted the finding of three Tariff Commissioners (the six Commissioners were evenly divided in this finding) that the sheet glass industry had been seriously injured by increased imports resulting in major part from trade agreement concessions. The President did not, however, accept the recommendation of those Commissioners that the rates of duty on imports of all types of sheet glass be increased to the statutory level. Instead, he proclaimed that the escape clause rates currently existing on window glass be continued until Jan. 31, 1972, when they would begin to be phased out in stages. Thus, the escape clause rates are scheduled to terminate on Jan. 31, 1974, when they will be replaced by the lower trade agreement rates. No increased rates were established by the President for any other types of sheet glass.

The old escape clause action on window glass, which was terminated by the present Proclamation, originated in 1962 as part of an action applying increased rates to all sheet glass products. In 1967, this action was modified to reduce the increased rates on window glass and restore the trade agreement rates on other types of sheet glass. The current action results from a petition filed by the domestic industry producing flat glass, and follows an extensive investigation by the Tariff Commission (see INTERNATIONAL COMMERCE, Jan. 12, 1970; Dec. 15, 1969; Nov. 10, 1969; Aug. 11, 1969; and July 14, 1969).

*Report to the Congress on U.S. Foreign Policy*—On Feb. 18, President Nixon gave the Administration's first annual report to the Congress on U.S. foreign policy, summarizing the events of the past year and the strategy for the future. The report is concerned with the political, economic and defense aspects of U.S. international relations. A section entitled "International Economic Policy" discusses the problems of international monetary and trade policy and international assistance. (This section of the President's report was summarized in the Mar. 2 issue of INTERNATIONAL COMMERCE.)

### CONGRESS

Relatively few new legislative proposals affecting international trade and tariff matters were introduced in February: four in the Senate, eleven in the House. Of these, ten were import quota bills. The number of quota bills introduced in the 91st Congress now totals about 375. Tariff and trade bills of all types now total about 590.

*Oil Imports.* Congressional interest in petroleum imports intensified following the President's decision to defer action on the oil import program. Several Senators and Representatives introduced bills on this subject, and three Congressional units announced hearings on oil imports.

Senator Henry Bellmon of Oklahoma introduced S. 3486, to establish a Commission on Oil Imports as an independent government agency. The Commission would be authorized to impose quotas on imports of petroleum and petroleum products. A joint congressional committee would be established to follow developments on the question of oil imports.

Senator Ted Stevens of Alaska and Senator Bellmon co-sponsored S. 3477 to impose statutory quotas on imports of petroleum and petroleum products, and to impose reciprocal duties on such commodities imported from foreign countries which

impose duties on these items exported from the United States. Identical bills have been introduced in the House of Representatives: H.R. 16126 by Representative George Bush and H.R. 16146 by Representative Ray Roberts.

Also concerned with oil imports is a bill introduced by Representative Robert Price of Texas, H.R. 16177, which is identical to several bills proposed in the last Congress. The Price bill would impose statutory quotas on imports of petroleum and petroleum products equal to 12.2% of domestic production.

Senator Philip A. Hart of Michigan announced that the Anti-trust and Monopoly Subcommittee of the Judiciary Committee would begin hearings on Mar. 3 on oil import policy, with testimony from Labor Secretary Shultz, Chairman of the Cabinet Committee Task Force on Oil Imports.

The Senate Finance Committee has also indicated that it would hold hearings in March on oil imports, and would invite Cabinet Committee members to testify. The House Interior and Insular Affairs Committee scheduled hearings on oil imports for Mar. 9. These hearings had initially been scheduled to begin on Feb. 16, but were postponed pending release of the Cabinet Task Force Report.

*Other Actions.* Other Senate actions include the introduction by Senator Hiram Fong of Hawaii, of S. 3392 (similar to S. 1073 introduced in the last Session), to accord the Trust Territories of the Pacific the same tariff treatment now given to the U.S. insular possessions; and the introduction by Senator Ted Stevens of Alaska and eight co-sponsors of S. 3492, to strengthen the penalties for illegal fishing in the territorial waters and the contiguous fishery zone of the United States.

In other House actions, five Representatives (Ben Reifel of South Dakota, Laurence Burton of Utah, James Haley of New York, Joe Skubitz of Kansas and John Buchanan of Alabama) introduced orderly marketing bills (H.R. 15665, H.R. 15774, H.R. 15823, H.R. 16160 and H.R. 16207) to impose limitations on imports when certain specified criteria are met. Representative Buchanan also introduced H.R. 16208 to provide for orderly trade in textile articles.

Rep. Michael Harrington of Massachusetts, with seven co-sponsors, introduced H.R. 16074 to amend the tariff adjustment and adjustment assistance provisions of the Trade Expansion Act of 1962. The proposed provisions are identical to those of the Administration's trade bill, but exclude other provisions of the trade bill. (The major provisions of the trade bill were summarized in the Dec. 2, 1969 issue of INTERNATIONAL COMMERCE.) Representative Harrington has also written to the President requesting that he ask the Tariff Commission to investigate, under Section 301 of the Trade Expansion Act of 1962, alleged import injury to U.S. industry in 12 categories of footwear.

H.R. 16189, introduced by Representative Sam Gibbons of Florida, seeks to amend the Tariff Act of 1930 to eliminate the duty on the cost of repair parts and equipment purchased for, and repairs made on, U.S. shrimp vessels in foreign countries. This bill is similar to two others, H.R. 14039 and H.R. 14844, introduced earlier in this Congress.

## TARIFF COMMISSION

*Workers Petition for Adjustment Assistance*—On Feb. 27 the Tariff Commission initiated an investigation to determine whether, as a result in major part of trade concessions granted under trade agreements, articles like or directly competitive with plastic or rubber-soled footwear with fabric uppers are being imported into the U.S. in such increased quantities as to cause, or threaten to cause, the unemployment or underemployment of a significant number of workers of Uniroyal Inc.

The investigation is based on two petitions filed on behalf of the production and maintenance workers, and the salaried employees, respectively, of the Woonsocket, Rhode Island plant of Uniroyal. A public hearing has not yet been requested. However, a hearing will be held on request of any party showing proper interest in the subject matter of the investigation.

Copies of the petitions are available for inspection at the Office of the Secretary, U.S. Tariff Commission, 8th & 'E' Sts., NW., Washington, D.C., and at Room 437, U.S. Customhouse, New York.

*Decision on Dumping of Glycine from France*—On Feb. 17, the Tariff Commission announced its determination, by a vote of 4-2, that an industry in the United States is being injured by reason of imports of gylcine (aminoacetic acid) from France and other countries sold at less-than-fair value. (The Treasury Department had notified the Tariff Commission on Nov. 17, 1969, of its determination that sales of glycine from France were being made in the United States at less-than-fair value within the meaning of the Antidumping Act.) The Commission's decision was unusual in that the majority considered dumped imports from other countries besides France as contributing to injury to the industry. The Chairman dissented in part from the determination in that he limited his determination of injury to the dumped imports from France. As a result of the Commission's decision, the case has been referred to the Treasury Department, where assessment of appropriate antidumping duties will be made.

Copies of the report, which contains

## New aid framework suggested

A U.S. council—emphasizing international development in trade, investment, financial, agricultural and export-promotion policies—is one of several new institutions recommended recently to the President by a task force he appointed to study the U.S. foreign aid program.

The 16-member group, which submitted its report this month, was headed by Rudolph A. Peterson, retired president of the Bank of America.

Peterson declared in his report: "The United States must be able to respond flexibly and effectively to changing requirements in the developing world, and in association with other industrial countries, help make possible the progress that individual developing countries show themselves determined to achieve."

A new focus for U.S. programs, a new emphasis on multilateral organizations, and a new institutional framework were recommended. In addition to the U.S. council, three other new organizations were called for:

► A U.S. international development bank, to make capital and related technical assistance loans;

► A U.S. international development institute, working on research in science and technology applicable to resources and processes critical to developing countries;

► The Overseas Private Investment Corporation, recently authorized by Congress, to enlist private capital and business skills.

The need for expanded appropriations—primarily in support of international lending agencies—was cited.



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statements of reasons by the Commissioners, are available from the Secretary, U.S. Tariff Commission, 8th and E Sts., NW., Washington, D.C. 20436.

*Dumping of Australian Steel Bars*—On Feb. 27, the Tariff Commission determined by a vote of 4 to 2, that steel bars, reinforcing bars and shapes, manufactured by the Broken Hill Proprietary Co., Melbourne, Australia, imported into the United States and sold at less than fair value are causing injury to domestic industry. The case has been referred to the Secretary of the Treasury who will assess additional duties on the dumped products.

*Unfair Import Competition*—On Feb. 13 the Tariff Commission opened two new investigations of alleged unfair acts in import competition (patent infringement). One investigation is based on a complaint filed by Beecham Group Limited and Beecham, Inc. of Clifton, New Jersey, concerning sales of Ampicillin; the other is based on a complaint filed by Tights, Inc., of Greensboro, North Carolina, concerning the sale of panty hose. The Commission has initiated these preliminary investigations to determine whether full investigations are warranted, and whether temporary exclusion orders should be recommended to the President pending the outcome of full investigations.

*Summaries of Trade and Tariff Information*—During February, the Tariff Commission released two more volumes in its series of Summaries of Trade and Tariff Information: (1) fibers, yarns, waste, and intermediate products of silk, man-made fiber, metalized paper, certain hair, and yarns (the fourth of six volumes to be published on textile fibers and textile products); and (2) general purpose machinery, and machinery for the construction, mining, agricultural, food, paper, and printing industries (the sixth of eleven volumes on metals and metal products).

The summaries include descriptions of imported products, methods of production, world supplies and importance in trade and the U.S. economy. They also include analyses of consumption, production, competition and economic health of the industries producing the subject articles. The volumes are available for consultation in the 42 field offices of the Department of Commerce, and at selected public and university libraries in large cities.

*Investigation of Non-Oriental Type Carpets*—The U.S. Tariff Commission on Feb. 20 opened an investigation to obtain additional information on domestic production and imports of Wilton and velvet carpets and rugs of non-Oriental design. The investigation was instituted upon request of the Special Representative for Trade Negotiations, at the direction of the President for certain information. A White House press release dated Jan. 2 announced the President's decision to terminate the escape clause rate of duty on the *Oriental-type* Wilton and velvet carpets and rugs and that he would be requesting additional information in order to determine whether further action would be necessary with regard to tariffs on the *non-Oriental type*. The escape clause rate of 40% ad valorem applies to the *non-Oriental types*, whereas the trade agreement rate of 21% now applies to *Oriental types*.

This investigation is limited to supplying the President with certain information on types, prices and other characteristics of domestically produced and imported carpets, to meet the needs of the President as expressed in his release of Jan. 2, 1970. It is not intended to be a full investigation under section 351(d)(2).

*Investigations on Barbers' Chairs*—The Tariff Commission completed public hearings early in February on its combined investigations to determine whether barbers' chairs are, as a result in major part of trade agreement concessions, being imported in such increased quantities as to cause or threaten to cause serious injury to the petitioning firm Emil J. Paidar Co., of Chicago, or to the domestic industry producing like or directly competitive products. The Commission is expected to release its report in late March.

## OTHER AGENCIES

*Treasury Department—Dumping (Brass Key Blanks)*—On Feb. 9 the Treasury Department announced that an inquiry had been initiated into the complaint that brass key blanks manufactured in Canada are being, or are likely to be, sold at less than fair value in the United States within the meaning of the Antidumping Act of 1921, as amended. The complaint was filed by the Star Key and Lock Manufacturing Co., Inc., of Brooklyn. Imports of all types of lock parts from Canada in 1968 amounted to approximately $1.2 million.

*Federal Trade Commission: Union Contract Clause to Bar Imports*—In an opinion published in the *Federal Register* of Feb. 6, the Federal Trade Commission (FTC) ruled that any clause in a union contract to bar management from importing products like those manufactured by the firm would be prohibited by the anti-trust laws or the Federal Trade Act. The ruling further applies to any clause whose purpose is to effect a restraint of trade not intimately related to wages and hours and working conditions. The ruling was the result of an allegation that labor unions have proposed collective bargaining agreements which state that, because of increased imports resulting in decreased domestic production, increased domestic unemployment, and loss of wages, manufacturers agree to cease importing products of the type they manufacture. The opinion did not disclose the identity of the industry or union involved.

*Department of Agriculture: Tomato Regulations*—The Department of Agriculture recently announced that it will increase size limitations on tomatoes grown in Florida and those imported from Mexico. This action will preclude either small-size or low quality tomatoes from being marketed, and is designed to prevent unreasonably low returns to domestic tomato growers. Details of new requirements, which were due to become effective Mar. 16, were published in the *Federal Register* on Feb. 19.

Copies of the amended regulations were mailed to importers and other interested persons, and may also be obtained from the Fruit and Vegetable Division, C and MS, U.S. Department of Agriculture, Washington, D.C. 20250.

*Department of Agriculture: Onion Import Regulation*—The Department of Agriculture has announced that, effective Mar. 15, the grade and size requirements for onions imported into the United States are revised. The onion import regulation is effective under section 8e-1 of the Agricultural Marketing Agreement Act of 1937, as amended. The revisions were published in the *Federal Register* of Feb. 14. Copies of the amended regulation are available from the Information Division, C and MS, U.S. Department of Agriculture, 26 Federal Plaza, New York, N.Y. 10007.

*State of New York: Buy American Bills*—Two companion "Buy-American" Bills, Assembly Bill 548 and Senate Bill 6218, are currently pending before the New York State Legislature. The bills propose that the use of imported products by any state agency or political subdivision be prohibited, except when goods or services of comparable quality are not available from a domestic source. These bills differ substantially from other "Buy-American" proposals in that the only criterion for purchase of imported products is lack of comparable quality in domestic products and not the price differential generally proposed in "Buy American" legislation.

*Twenty-sixth GATT Session:* The 26th Session of the Contracting Parties to the General Agreement on Tariffs and Trade was held in Geneva from Feb. 16-27 to review the main issues confronting international trade and to consider the organization's future action program. The Contracting Parties endorsed GATT Director-General Long's call for movement

toward freer international trade. It was decided to attempt to complete the work now in progress on agricultural trade restrictions and industrial non-tariff trade barriers by the end of this year so that appropriate action can be considered in 1971. During a round of major addresses, a number of countries referred to the preeminent role of the United States over the past twenty years and looked to the United States for continued leadership in seeking freer world trade.

During the closing days of the Session, the Ministers of the major trading countries held informal meetings to discuss, among other subjects, special preferential trade arrangements, the role of trade measures in the balance-of-payments, the adjustment process and the GATT's handling of generalized tariff preferences in favor of developing countries. Ambassador Gilbert, the President's Special Representative for Trade Negotiations, represented the United States at the high-level talks.

*Common Market Trade Agreement: EEC—Israel Accord*—On Feb. 13 representatives of the Government of Israel and the European Economic Community (EEC) initialed the text of a preferential trade arrangement. Under the agreement, Israel will give the EEC tariff reductions of 10 to 25% on some $85 million in industrial products ($153 million of EEC industrial exports to Israel are already duty-free). In return, the Community agreed to an initial 25% reduction on $85 million of imports of Israeli industrial products, with the reduction increasing to 45% over the five-year life of the agreement. In addition, the EEC will give a 40% tariff preference on Israeli citrus and a 50% reduction on a 300-ton cotton textile quota. Israel has agreed to eliminate its prior deposit scheme by 1971.

*GATT: Non-tariff Barriers*—The GATT has established five Working Groups to meet during 1970 for the purpose of developing the basic elements necessary for negotiations on non-tariff barriers (NTBs). The first of these Groups met in Geneva during Jan. 12-21, to explore the possibilities for concrete action both with regard to reducing or removing such barriers and to developing possible rules of conduct. This work is preparatory in nature, without commitment on the part of any participating country. Working Group I dealt with the following NTB issues: subsidies on industrial products; countervailing duties; government procurement, and state trading enterprises in market economy countries. The second Working Group is scheduled to meet Mar. 17-26, and to deal with customs and administrative entry procedures.

# U.S. share of manufactures market declined in July-September '69, despite quarterly export record

## Our relative position among trading competitors slipped in chemicals and transport equipment, held in machinery

The United States expanded its exports of manufactures in the third quarter of 1969 by around 2½%, to $7.1 billion seasonally adjusted—moderately below the average growth rate of the other major industrial countries.

As a consequence, our share of the world market for manufactures outside the United States slipped to 22.8%, three-tenths of one percent less than the mark recorded for the previous quarter. Our standing probably would have shown no decline, however, if second quarter U.S. exports had not been inflated by stepped-up deliveries following settlement of the dockstrike at East and Gulf Coast ports.

Our share for the first nine months registered a more severe loss, declining to 22.3%, one and one-half percentage points down from the comparable period in 1968. Despite substantial losses of export sales due to the dockstrike, the value of U.S. manufactured exports advanced by 11% from the level reached in January-September 1968. At the same time, exports of our principal competitors to destinations other than the United States climbed by almost 21%.

The setback in our overall share of the manufactures market in the third quarter of 1969 stemmed from the marked decrease in the relative importance of the United States as a supplier of chemicals and, to a lesser extent, of transport equipment. On the other hand, the U.S. position held steady in electric and nonelectric machinery.

Moving counter to the trend, our standing improved in basic and miscellaneous manufactures, a heterogeneous group comprising mostly a variety of semimanufactures and nondurable consumer goods. Our exports of these products rose by 7% to $1.9 billion, over twice the rate of gain for the other principal industrial suppliers. Marked increases in U.S. deliveries of steel products, reflecting exceptionally high foreign demand, and larger shipments of aluminum helped push our share up moderately to 15.3%. For the first nine months, however, the U.S. position was one percentage point lower than in the same period the preceding year.

### Machinery share holds even

Stimulated by increased capital spending in our major markets, U.S. exports of nonelectric machinery rose by nearly 5% to exceed $1.9 billion. This gain enabled our market share to edge up to 29.4%. Electronic computers and aircraft engines and parts figured prominently in the expansion.

On the other hand, U.S. shipments of electric machinery did not quite match the performance of our competitors, reducing our share slightly to 25.1%. The major portion of the sales expansion to $720 million originated in higher deliveries of semiconductor devices.

Reduced deliveries of automotive products to markets other than Canada were mainly responsible for the marginal decline in our exports of transport equipment. This falloff resulted in a contraction of almost one point to 32.3% in our third quarter standing. The nine-month share showed an even greater loss due to smaller shipments of civilian aircraft. The cutback in exports was attributable to the projected switchover to new types of jet aircraft expected to be available for foreign airlines early in 1970.

U.S. deliveries of chemicals fell by 4% to $884 million, principally because of lower exports of plastics and insecticides. The decline, in a period when competitors boosted exports by 6.4%, resulted in our sharpest loss in share among the five commodity groups. Moreover, in slumping to 22%, the U.S. position in the world chemical market dropped to its lowest point in at least ten years, except for the dockstrike-affected first quarter of 1969.

Of our five major competitors, the United Kingdom, Japan, and Germany expanded their shares of the world mar-



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ket for manufactures outside the United States during July-September 1969. The remaining two countries, Italy and France, sustained moderate losses.

Boosting deliveries by more than a quarter of a billion dollars, the United Kingdom gained half a percentage point in its share of the market, raising it to 11%. This expansion followed a marginal loss in share the previous quarter. Much of the strong British performance was apparently due to the bunching of export documents especially in the third quarter as a result of the government's efforts to overcome the problem of undercounting of shipments to foreign destinations. For the first nine months, when data irregularities did not distort the trend significantly, the U.K. standing in manufactures slipped slightly.

Increasing its sales of manufactures by 6.4%, Japan tied France as the fourth principal supplier of these products to the world market. In so doing, it pushed its share to 8.5%. Japan scored heavily in exports of chemicals where it recorded the largest gain among our top competitors in any of the major commodity groups. Its exporters also did well in electric machinery but lost substantial ground in transport equipment.

Although lifting its overseas deliveries by 3.6% to nearly $6 billion for the quarter, Germany saw its share in two product groups decline and just hold even in two others. Only in chemicals did the Federal Republic better its standing. This gain was sufficient, however, to push up Germany's overall standing by one-tenth of a point to 19.3%.

Italy suffered a deterioration in position in three product groups but a moderate gain in its share of the transport equipment market enabled it to hold the net slide to three-tenths of a point. The slippage in France's position stemmed from sizable drops in chemicals and in basic and miscellaneous manufactures. Both Italy and France had sustained share losses also in the second quarter but those had been more marginal than the recent declines.

*Data on the U.S. share of world exports of manufactured goods are reported quarterly in* INTERNATIONAL COMMERCE. *The previous report appeared in the issue of Dec. 8.*

*Information on the third quarter of last year is presented in the accompanying article, prepared by the Commerce Department's International Trade Analysis Division. The Division's summary analysis of U.S. foreign trade in 1969 was presented by commodity in the Feb. 23 issue and by area, March 9.*

# U.S. SHARE OF WORLD EXPORTS OF MANUFACTURES

***Adjusted for seasonal variation***

| Commodity | | U.S. exports (million dollars) | U.S. share (% of world exports to foreign markets [1]) |
|---|---|---|---|
| **Manufactures, total** | | | |
| 1966 | 1st quarter | 4,719 | 23.1 |
| | 2nd | 4,684 | 22.7 |
| | 3rd | 4,765 | 22.5 |
| | 4th | 5,039 | 22.8 |
| 1967 | 1st | 5,266 | 23.4 |
| | 2nd | 5,192 | 22.6 |
| | 3rd | 5,172 | 23.4 |
| | 4th | 5,281 | 23.5 |
| 1968 | 1st | 5,476 | 22.8 |
| | 2nd | 5,863 | 24.4 |
| | 3rd | 6,388 | 24.2 |
| | 4th | 6,154 | 22.6 |
| 1969 | 1st | 5,759 | 21.0 |
| | 2nd | 6,879 | 23.1 |
| | 3rd | 7,055 | 22.8 |
| **Chemicals** | | | |
| 1966 | 1st quarter | 648 | 25.0 |
| | 2nd | 662 | 25.0 |
| | 3rd | 680 | 24.3 |
| | 4th | 683 | 23.9 |
| 1967 | 1st | 707 | 24.0 |
| | 2nd | 698 | 23.5 |
| | 3rd | 685 | 23.6 |
| | 4th | 722 | 24.0 |
| 1968 | 1st | 748 | 23.5 |
| | 2nd | 810 | 25.1 |
| | 3rd | 918 | 25.3 |
| | 4th | 810 | 22.7 |
| 1969 | 1st | 661 | 18.9 |
| | 2nd | 917 | 23.8 |
| | 3rd | 884 | 22.0 |
| **Nonelectric machinery** | | | |
| 1966 | 1st quarter | 1,356 | 30.7 |
| | 2nd | 1,343 | 30.0 |
| | 3rd | 1,339 | 29.1 |
| | 4th | 1,456 | 30.0 |
| 1967 | 1st | 1,520 | 30.9 |
| | 2nd | 1,485 | 29.7 |
| | 3rd | 1,475 | 30.3 |
| | 4th | 1,491 | 30.1 |
| 1968 | 1st | 1,481 | 28.8 |
| | 2nd | 1,558 | 30.6 |
| | 3rd | 1,688 | 30.3 |
| | 4th | 1,603 | 28.0 |
| 1969 | 1st | 1,486 | 26.9 |
| | 2nd | 1,834 | 29.3 |
| | 3rd | 1,915 | 29.4 |
| **Electric machinery** | | | |
| 1966 | 1st quarter | 458 | 25.2 |
| | 2nd | 464 | 25.0 |
| | 3rd | 480 | 25.1 |
| | 4th | 498 | 25.3 |
| 1967 | 1st | 528 | 25.9 |
| | 2nd | 526 | 25.4 |
| | 3rd | 526 | 26.1 |
| | 4th | 525 | 25.8 |
| 1968 | 1st | 537 | 24.7 |
| | 2nd | 567 | 26.1 |
| | 3rd | 600 | 25.3 |
| | 4th | 581 | 24.0 |
| 1969 | 1st | 590 | 24.0 |
| | 2nd | 684 | 25.2 |
| | 3rd | 720 | 25.1 |
| **Transport equipment** | | | |
| 1966 | 1st quarter | 904 | 29.2 |
| | 2nd | 875 | 28.2 |
| | 3rd | 891 | 28.8 |
| | 4th | 1,044 | 28.8 |
| 1967 | 1st | 1,062 | 30.7 |
| | 2nd | 1,092 | 30.4 |
| | 3rd | 1,150 | 31.9 |
| | 4th | 1,220 | 34.2 |
| 1968 | 1st | 1,352 | 33.6 |
| | 2nd | 1,436 | 35.0 |
| | 3rd | 1,501 | 34.7 |
| | 4th | 1,579 | 33.8 |
| 1969 | 1st | 1,591 | 32.8 |
| | 2nd | 1,676 | 33.1 |
| | 3rd | 1,644 | 32.3 |
| **Other manufactures** | | | |
| 1966 | 1st quarter | 1,353 | 16.0 |
| | 2nd | 1,340 | 15.7 |
| | 3rd | 1,375 | 15.7 |
| | 4th | 1,358 | 15.4 |
| 1967 | 1st | 1,449 | 15.9 |
| | 2nd | 1,391 | 14.9 |
| | 3rd | 1,336 | 15.3 |
| | 4th | 1,323 | 14.9 |
| 1968 | 1st | 1,358 | 14.3 |
| | 2nd | 1,492 | 15.7 |
| | 3rd | 1,681 | 16.0 |
| | 4th | 1,581 | 14.6 |
| 1969 | 1st | 1,431 | 12.9 |
| | 2nd | 1,768 | 14.8 |
| | 3rd | 1,892 | 15.3 |

Note: The quarterly figures in 1969 were affected by the U.S. longshoremen's strike beginning Dec. 20, 1968 and ending Feb. 15 at New York and on various dates through Apr. 13, 1969 at other ports. The term "manufactures" refers to chemicals, machinery, transport equipment, and other manufactures except mineral fuel products, processed food, fats, oils, firearms of war and ammunition.

[1] World exports are defined as exports from the 14 major industrial countries. These nations, which account for approximately four-fifths of world exports of manufactures to foreign markets, are as follows: United States, Austria, Belgium-Luxembourg, Canada, Denmark, France, Federal Republic of Germany, Italy, Netherlands, Norway, Sweden, Switzerland, United Kingdom, and Japan. Exports to foreign markets are total exports excluding exports to the United States.

# Educational equipment, materials mission to go to Europe in May

## Group will be first industry-organized Government-approved mission to promote sales of these products and services

Marketers of educational equipment and materials are being offered an opportunity to expand their sales potential abroad by participating in a trade mission to Europe early this summer.

The mission is being sponsored by *School Product News*—a monthly publication for school administrators and purchasers of educational products and services—with the cooperation of the U.S. Department of Commerce. The business tour is scheduled for May 25-June 11.

Company representatives who join the industry-organized Government-approved mission are to meet with executives and educators responsible for distribution or purchase of educational equipment and materials in Milan, Stockholm, Hamburg, Frankfurt, and Paris. In addition, the mission will spend four days in Basel, touring DIDACTA—described as one of the world's major educational equipment shows.

### First in educational products

Roy Gootenberg, Director of the Commerce Department's Trade Missions Division, announced the mission at *School Product News'* first international export seminar in Atlantic City recently. Speaking before marketing executives from more than 170 manufacturing firms, he pointed out that the Educational Marketers' Trade Mission to Europe is the first IOGA effort to focus on such goods.

During the seminar, exporter Robert Furhman, president of International Education and Training, Inc., of Farmingdale, N.Y., traced the growth pattern of his firm's Buhl Projector Division in the past four years: "When we acquired this division, exports amounted to only 4% of sales. We crossed the 25% mark in the first quarter of our current fiscal year and are aiming for 50% by 1972." A recent order for 145 Buhl Overhead Projectors from the Government of Thailand was one of several examples Fuhrman pointed out.

A recent market study prepared for the Commerce Department identified training aids as a segment of the industry which offers sales potential in Western Europe. The study recommended overhead and sound filmstrip projectors, student response systems, driver training simulators, programmed instructional materials, films, filmstrips, slides and transparencies, English language materials, wireless language labs, vocational equipment and materials, computer training and demonstration devices.

Germany's requirements for such equipment in 1970-72 are projected at about $10.8 million, according to the study; the U.S. share of this market, at about $2.6 million. The Swiss market might equal about 10% of the German potential. In Italy, demand is estimated at $5.1 million; the U.S. share potential, $1.3 million.

The market for educational equipment and teaching aids in both Sweden and France reportedly is growing; for example, a Swedish dealer pointed out during the seminar that his firm anticipates selling 500 language laboratories during this decade.

A display of advanced training aids at the U.S. Trade Center in Milan last fall drew almost 1,500 visitors to view the exhibits of 29 American manufacturers. Confirmed orders during the show totaled $111,685 and estimates for additional sales over the next year passed the $2 million mark.

U.S. manufacturers interested in the Educational Marketers' Trade Mission to Europe may obtain further information from G. Robert Wynn, *School Product News*, 614 Superior Avenue, West, Cleveland, Ohio 44113 (phone 216-696-0300).

# Cleveland to hold nine-week workshop around annual world trade conference

## Set for each Wednesday, Mar. 25-May 27, at Case Western Reserve U., sessions will focus on discussions of topics related to selling abroad

Cleveland is ready to launch its annual spring trade offensive—a nine-week export workshop scheduled around its annual World Trade Conference.

The Export Workshop will be held at Case Western Reserve University's Crawford Hall Wednesdays from Mar. 25 to May 27.

Session topics will cover: Organizing for Effective Selling Overseas; Strategies for Selling Abroad; Total International Involvement of the Corporation; How Financing and Credit Techniques Affect Sales and Profits; How Consulting Services Aid Marketing Research and a Look at Underdeveloped Countries; the U.S. Government Program for Overseas Marketing and Promotion; Growing Markets and Opportunities in the Orient; Advertising and Promotion; Accounting in the International Marketplace; Guidelines to Export Transportation; and, Organizing for the Foreign Sales Trip.

Guest lecturers will include: George W. Haigh, vice president of the DeVilbiss Co.'s International Division, Toledo; Carl D. Perkins, vice president of L & E International, Toledo; Frank W. Parmelee, Jr., vice president of the Reliance Electric Co.'s International Division; Myron J. Craver, director of marketing for the Cleveland Overseas Corp.; Campbell W. Elliott, senior vice president for Midland-Ross Corp.; Richard J. Wade, vice president (international) of Society National Bank; Charles P. Kelsey, Foreign Credit Insurance Association; Thomas H. Miner, president of Thomas H. Miner & Assoc., Chicago; Clemens J. von Koschenbahr, Commerce Dept.'s Cleveland Field Office; Anthony Y. Yen, international consultant; Robert M. Whitney, director of advertising for Eaton, Yale & Towne; Robert Coder, account supervisor, Batten, Barton, Durstine & Osborn; Lewis C. Carter, traffic manager for foreign operations, Norfolk & Western Railway; James F. DeChant, asst. vice president, U.S. Navigation Co.; Morris Meerdink, cargo sales manager, United Air Lines; William E. Geiselman, partner, World Travel Center; and Herman O. Thomas, export manager for TRW International.

The all-day Cleveland World Trade Conference will be held on April 3, during the week when there is no workshop session.



XUM

ACCEPTING THE 'E' AWARD for Acme Trading & Supply Co. was the firm's president, Merle Greenstein, left, shown above with Oregon Senator Mark O. Hatfield, who presented the citation in Portland.

# Portland firm finds profit abroad in scrap; gets 'E' for export rise

## Acme Trading & Supply developed markets for nonferrous scrap by market surveys, setting up channels of distribution, travel

Acme Trading & Supply Co., Portland, Ore., almost doubled its exports of nonferrous metals scrap between 1966-68 and was awarded the President's 'E' citation for its increasing overseas sales. To develop markets for previously non-usable scrap materials, Acme officers traveled extensively while conducting their own market survey and establishing channels of distribution.

Since Acme did not maintain offices in foreign countries, it was necessary to institute a program of foreign visits by company executives. Acme established a travel budget and contacted the U.S. Department of Commerce to determine manufacturing facilities and raw material requirements for certain countries.

From this information, target countries were selected to determine individual concerns utilizing any nonferrous materials in their production. A travel itinerary was selected to maximize exposure during a foreign country visit. The first visit to Japan resulted in export sales of approximately $50,000 in 1962, and increased export dollar sales by more than 2,500% in 1968.

In many developing nations, possible consumers of nonferrous metals scrap were unaware of world classifications of scrap and were dependent upon virgin metal ore to meet their manufacturing raw material requirements. By having available a full line of samples and working with the end user, Acme demonstrated the reclamation of certain types of scrap which had previously been of minimal value in the U.S.

### Nominal value scrap

An example of material having nominal value in the U.S. was waste insulated aluminum wire scrap, Triplex. In many areas, this material was being delivered to land fills and buried since it had no commercial value. Even Acme purchased this material for 15 months during 1961-2 without knowing what to do with the product.

During the current fiscal year Acme anticipates Triplex shipments to foreign countries in excess of 3,000 metric tons, worth more than $500,000. This material is purchased in Texas, Arkansas, North Carolina and New Jersey in addition to the quantities generated in the Pacific Northwest. The company had contracts for delivery during late 1969 in excess of 1,200 metric tons. In addition to creating labor positions in many scrap yards by giving a commercial value to what was previously discarded, this material has created jobs on the waterfront by increasing export tonnage.

### Copper substitutes

As more aluminum substitutes for copper are found in electrical transmission, more of this material will be available for export. Present consumers of this material were previously using virgin aluminum ingot obtained from sources outside of the U.S. to meet their raw material production requirements.

A study was made in order to provide an economical package which would insure material arriving at its destination in a usable form. A custom-made plywood container which permits bulk packaging and selling was selected. This container has since been adopted by other Pacific Northwest nonferrous metals concerns. In addition to eliminating pilferage, the container has residual value to the end consumer of the container contents.

Assistance in obtaining the services of qualified linguists was provided by the Commercial Section of United States Embassies in foreign areas when detailed explanations were necessary in conducting business. In addition, company executives through correspondence schools, obtained a working knowledge of German, Spanish, and Japanese.

Assistance in training personnel in the conduct of business in foreign countries, in foreign trade terminology, and in administrative procedures was provided by local trade specialists in Portland's Commerce Field Office. In addition, Portland Field Office representatives also made themselves readily available to assist all personnel involved directly in foreign trade activities.

During 1968, Acme moved to a new $750,000 plant designed for the handling of nonferrous scrap metals. This move was financed in part by expanded profits from exporting.

At the present time, Acme employs more than 30 persons, of which almost half are directly involved in export activities.

# Growing Japanese metallurgy industry creating new markets for U.S. companies

**July exhibition set for U.S. Trade Center in Tokyo; capital investments in 1969 by Japan's iron and steel industries reached $1.6 billion**

As Japan's metallurgy industry continues to grow, new and wider markets for American goods are being created. To assist U.S. metal processing equipment manufacturers, the Department of Commerce will stage an exhibition at the U.S. Trade Center in Tokyo, July 13-18.

Purchases of instrumentation, controls and physical testing equipment by Japan's metal processing industry increased from $24 million in 1966 to $46 million in 1968. Imports of this equipment accounted for an estimated $9 million in 1966, $14 million in 1967 and $20 million in 1968.

Japan places third in world iron and steel production, and fourth in production of aluminum. Crude steel output totaled 82 million tons in 1969, while production of smelted aluminum reached about 561,000 tons.

Market research by the Department's Bureau of International Commerce, which will mount the Tokyo show, indicates that by 1973 Japanese production of crude steel will reach 112 million tons and aluminum production will reach 1.4 million tons.

Capital investments by the iron and steel industry amounted to $1.6 billion in 1969, compared to $648 million in 1966. Aluminum industry investments in production facilities rose from $71 million in 1966 to $211 million in 1969.

Manufacturers of powder metal products import 40% of the total 20,000 tons of electrolytic iron powder consumed in Japan. Production of powder metal products, including machine parts for the automobile industry, doubled from 1963 to 1968.

According to Commerce market research, the following products offer excellent sales potential in Japan:

► Instrumentation and controls—automatic digital thickness gaging equipment, remote controls for melting and holding equipment, process control computers and software, infrared thermometer systems, x-ray and nucleonic gages for measuring density of four-inch thicknesses and over, gas analysis equipment for quality and speed control, bar length measuring systems, edge and elongation control systems, flow controllers, equipment for magnetic detection of surface imperfections in steel, remote control pyrometers, ultrasonic control equipment, and automatic thermocouples.

► Physical test equipment—portable hardness test equipment, corrosion and tensile test equipment, hydrostatic test equipment, borescopes, fatigue test equipment, spectrophotometers, nonferrous ductility testers, ultrasonic flow thickness testers, gas chromatographs, ultrasonic hardness testers, fluoroscopic x-ray inspection systems, metallographs, and x-ray diffraction equipment.

► Special metals and alloys—tungsten, titanium, zirconium, aluminum, molybdenum, vanadium, and their alloys.

► Powder metals and equipment—hydrostatic presses for metal powders, automatic metal powder presses and iron powder.

► Industrial heating equipment—electric and full-fired furnaces for metal melting, processing, annealing, hardening and carburizing; fuel-fired furnaces for hot rolling, forging, forming, and extruding; induction, high frequency dielectric furnaces of radio frequency (spark gap) type and line and motor generator set (frequency) type; tubular motors; dielectric heating equipment; and strip, space and ring heaters.

U.S.-made metallurgical equipment and materials have been featured in two previous Commerce Department exhibitions at U.S. Trade Centers overseas. The 21 firms that took part in Metallurgy '70 at the London Trade Center in December 1969 reported $66,000 in immediate sales and forecast first-year sales of $1,968,000. Participation in a Stockholm Trade Center metallurgy show in December 1968 brought 26 U.S. exhibitors $187,000 in floor sales and an estimated $1,358,000 in 12-month sales.

To assure maximum attendance of prospective buyers, agents and distributors at the Tokyo exhibit, an intensive market development campaign will be mounted in advance.

U.S. firms interested in displaying their products at the metal processing equipment exhibition at the Tokyo Trade Center July 13-18 may obtain an Exhibitors Export Market Guide, IMIS 70-8, and further information from the U.S. Department of Commerce (BIC-936), Washington, D.C. 20230 (202-967-4512), or from any Commerce Field Office.

**VIEWING THE DESIGNER'S DRAWING of the U.S. Electronic Industrial Exhibition at the Japan Electronics Show scheduled Apr. 10-20 in Tokyo are: E. Lee Carteron, Bureau of International Commerce; U.S. Ambassador to Japan Armin H. Meyer; Julian Hammond, U.S. Exhibition Manager; John F. Shaw, Counselor for Commercial Affairs. A total of 43 U.S. manufacturers from 12 states will take part in the Commerce-sponsored event. (The views of Ambassador Meyer and Mr. Shaw are presented in articles on page 2.)**

XUM

# Vacuum, cryogenic exhibition estimates $2.5 million in sales

## Seven firms sought representatives at Tokyo Center in January

Twenty-two American manufacturers of vacuum and cryogenic equipment mounted displays at the Jan. 26-31 U.S. Trade Center show in Tokyo and came home with $127,470 in confirmed orders and estimates for at least $2.5 million more over the next year.

The event, which was accompanied by a three-day colloquium, was visited by 2,263 trade representatives, 25% of whom traveled from areas outside Tokyo. The colloquium featured six papers on cryogenics and four on vacuum technology and is credited with drawing a high number of qualified individuals to the show.

Seven exhibitors were seeking Far Eastern agents and distributors through the show; only Davis & Wilder, Inc., Sunnyvale, Calif. appointed a representative during the exhibition. At its conclusion, agreements with ten other candidates were under review.

More than half of the companies at the vacuum and cryogenic show valued their participation at $100,000 or more, including Cryogenic Engineering Co. which is reporting an estimated $380,000 in first year show sales. The Denver company displayed liquid gas storage equipment. Negotiations with three candidates for representation were also begun during the show.

Davis & Wilder, new to Japan's market, and the General Electric Co., West Lynn, Mass., both project approximately $150,000 in 12-month orders based on the show. Three applicants for Asian representatives were under consideration by GE, whose display included super conductive magnets, tape and components.

Three of the several companies indicating $100,000 in sales over the first port-show year are: Cryomech, Inc., Jamesville, N.Y., displaying cryogenic refrigerators and also reporting $24,000 in floor orders; Liquid Controls Corp., North Chicago, exhibiting flow meters; and Varian Associates, Vacuum Division, Palo Alto, Calif., with its Innovac System, pressure gages and flanges.

Other American firms mounting displays at the Trade Center show were: Air Products & Chemicals, Inc., New York; Airco Cryogenics Co., Division of Air Reduction, Irvine, Calif.; Artronix Inc., St. Louis, Cryogenic Technology, Inc., Waltham, Mass.; Cryolab, Division of Statics-Dynamics, Inc., San Luis Obispo, Calif.; Granville-Phillips Co., Boulder, Colo.; Malaker Corp., High Bridge, N.J.

MKS Instruments, Inc., New York; Norton Co., Vacuum Equipment Division, Newton, Mass.; Sloan Technology Corp., Santa Barbara, Calif.; Statham Instruments, Inc., Oxnard, Calif.; Union Carbide Corp., Linde Division, New York; Vacuum Industries, Inc., Medford, Mass.; Veeco Instruments, Inc., Plainview, New York; Virtis Co., Inc., Gardiner, N.Y.; Webber Manufacturing Co., Indianapolis.

DISCUSSING EQUIPMENT displayed by Cryomech, Inc. are two Japanese business representatives, left, and Cryomech's Japanese agent. Several companies estimate first year sales from the exhibition at $100,000.

ATTENDANCE RAN HIGH at the three-day colloquium on cryogenics and vacuum technology. A total of ten papers were presented. Liquid Controls' flow meter, above, is explained to two guests by a company official.

TURKEY FOR THE TABLE is being demonstrated during an institutional and convenience food show at the U.S. Trade Center in Tokyo last October.

# Japan Trade Center show, fall events feature beef, turkey

U.S. beef and turkey—regulars on American menus—are finding their way onto Japanese menus for EXPO '70 with the help of exhibitions sponsored by the U.S. Department of Agriculture's Foreign Agriculture Service in cooperation with commodity trade groups.

Beef and turkey were featured in a two-city promotion last October and will again be featured in a Frozen and Convenience Food Exhibit and Seminar Apr. 6-10 at the U.S. Trade Center in Tokyo.

Kyoto and Tokyo hosted the fall Institutional Food Exhibit and Seminar featuring three American experts in the fields of beef, turkey, and institutional menus and portion control. Twenty-two firms were in the shows, including 13 individual food companies and five cooperative agricultural organizations. About 1,700 businessmen were attracted to the two events.

Three beef and three turkey concerns from the autumn events will participate in the April show. This will be the second major promotion of frozen foods by Agriculture in Japan. A total of 23 concerns will mount displays.

U.S. beef, in the forms of steak and roasts, will appear on the menu of the Royal Foods Restaurant in America Park at EXPO. Turkey and chicken will also be on the menus of another firm with a restaurant concession at EXPO.

CANNED GOODS were shown last fall by Libby, McNeill & Libby; in April, the Chicago-based firm will display frozen foods. On the left, three businessmen discuss the Libby line. The California Almond Growers Exchange, right, exhibited in Japan last fall, and is taking part in the San Francisco Pavilion.

# Japanese firms and individuals lose U.S. export rights

### Failed to account for electronic goods believed sent to Red China

U.S. export privileges have been denied to a number of individuals and firms in Tokyo for violations of U.S. export control laws. The Department of Commerce said that the action resulted from charges of illegal participation in transactions involving U.S.-origin strategic electronic equipment and the making of false statements in the course of an investigation of these transactions.

The parties involved are Kazuo Iida, and Masaji Nagasaka; Masaaki Ono and his firm, Nihon Tokushu Denki K. K.; Takeo Kawasaki and Isao Kanno. They are all engaged in business in Tokyo.

According to the Office of Export Control (OEC) in the Department's Bureau of International Commerce, restrictions as to dealing in U.S. goods were imposed on Iida in 1965 because of his failure to account for the disposition of strategic U.S.-origin goods believed to have been re-exported to Communist China. The restrictions were made applicable to Nagasaka because of his close business association with Iida.

With the purpose of evading the restrictions, Nagasaka in 1965 and 1966, engaged Ono and his firm, Nihon Tokushu Denki K.K., to obtain certain electronic equipment from the United States. Ono placed orders with U.S. suppliers for over $200,000 worth of such equipment.

About $80,000 worth was delivered and exportation of the remainder from the United States was prevented by OEC when Nagasaka's participation was discovered. During the investigation it was disclosed that Iida had received some of the equipment and had participated in financing the purchase of other equipment.

Under the order, Nagasaka and Iida are prohibited from participating in transactions involving U.S. commodities and technical data for the duration of export controls. The same restrictions are applicable to Ono, Nihon Tokushu Denki K.K. and Kawasaki for five years and to Kanno for a period of six months. Kawasaki may apply after two years for relief from the restrictions. Following Kanno's denial period he will be on probation for 18 months.

In order to prevent evasion of the restrictions, the orders were made applicable to firms with which the respondents are connected—Shinwa Tsusho (Yungen Kaisha), of which Iida is president; Japan Holst K.K., of which Kawasaki is president; and Meikon Shokai K.K., of which Kanno is president.

The U.S. export control regulations provide that without authorization from the Department of Commerce no party may trade in commodities or technical data exported from the U.S. with a party he knows is subject to these sanctions.

## Two Japanese groups to sponsor international plant engineering conference

The '70 International Plant Engineering Conference will be held in Tokyo May 12-13 to coincide with Expo '70 in Osaka. The event will be co-sponsored by the Japan Institute of Plant Engineers and the Japan Management Association.

The conference will offer an opportunity to those interested in both plant engineering and maintenance to exchange information and experiences with representatives from several other nations. About 20 experts in these fields have already indicated an interest in participating in the conference.

The program for the event will cover topics related to personnel, computer applications, and performance evaluation in the area of plant engineering. A special session on water pollution is scheduled and a panel discussion on plant engineering practices will be held.

Write: Conference Secretariat, Japan Institute of Plant Engineers, Japan Management Association, Kyoritsu Bldg., 25 Shiba Koen, Minato-ku, Tokyo, Japan.

# Dates of four fairs at Tokyo, Osaka in 1970 released

Four additional 1970 trade fairs in Japan have been announced. Additional information on these events and applications for entry may be obtained from the addresses supplied.

The two events scheduled for Tokyo are: the Third Automatic Control Equipment Show, May 13-17; write the Exhibition Secretariat, c/o Enterprise Section, the Nikkan Kogyo Shimbun Ltd., 8-10 Kudan Kita 1-Chome, Chiyoda-ku, Tokyo. From Oct. 5-10, the Maintenance and Chemical Show will be held. It features these four events: the Material Management Show, The National Plant Engineers and Maintenance Show, the Heating, Air Conditioning and Sanitary Engineering Exhibition, and the Chemical Plant Engineering Show. Details are available from the Japan Management Association, 25, Shiba Park, Minato-Ku, Tokyo.

In Osaka, the following two events will take place: the Japan International Exhibition of Textile Machinery, July 6-12, write to Nihon Sen-i Shimbun Co., Ltd., 10 1-Chome, Honcho Nihonbashi, Chuo-ku, Tokyo. The second event, is comprised of three separate exhibitions staged concurrently by the same organizer Sept. 8-12. The shows are the Ninth Engineering Material Show, Fourth Design Efficiency Show, and the 1970 Mechanical Automation Show for Man-Hour Saving. Write the Nikkan Kokyo Shimbun-Sha, 1, Lida-machi, 1-Chome, Chiyoda-ku, Tokyo.

# U.S., Mexico discuss trade issues

The United States-Mexico Trade Committee held its fifth Annual Meeting in Washington on Mar. 4-6. The Committee was formed in 1965 to discuss matters of mutual interest relating to the trade between the two countries. The meetings are held alternately in Washington and Mexico City.

At the meeting just concluded, the two delegations discussed recent U.S.-Mexico trade trends as well as other trade issues, including tariffs and other barriers to trade affecting access to the markets of each country, both in the agricultural and industrial fields.

Preparations are now under way for a meeting of customs authorities of both countries to continue discussion of subjects of common interest.

The next meeting of the Trade Committee is scheduled for Mexico City in 1971. In the interim, both delegations reported, there will be further exchanges of information and follow-up on matters discussed at last week's meeting through the planned meeting of customs authorities and through normal governmental channels.

# Latin integration falters

## LAFTA and CACM both hit snags as bargaining gets down to essential interests

By RICHARD P. RICE
*American Republics Division, BIC*

The year 1969 was characterized by re-evaluation and some soul-searching within the movements for economic integration in Latin America. All of these movements displayed both positive and negative overtones during the year, but the chances of achieving the goal of a common market by 1985, as set forth in the documents of the Punta del Este summit conference of April 1967, appear dim.

Members of the Latin American Free Trade Association (LAFTA) seemed to realize that the time had arrived to make formal decisions on the future of their organization. The modest goals of a free trade association (as compared with a full fledged common market) propounded by the Treaty of Montevideo proved to be tenuous and, for Latin America, elusive.

Under the terms of the Treaty which created LAFTA in 1961, the common list was to have been negotiated in four stages over a 12-year period. The common list is a list of products on which all member countries agree to eliminate duties, charges and other restrictions on inter-regional trade. The members were not able to agree on the second stage of the common list which was to have been negotiated in 1967, nor have efforts been made to prepare for the third stage due for negotiation this year.

### Negotiations get tougher

Negotiations for the national lists have become increasingly difficult. Under the Treaty of Montevideo, the annual negotiations to establish the national lists of concessions granted by each member to other signatories were to result in annual reductions of tariffs and other charges applicable to imports. The dwindling number of concessions negotiated in recent years is a clear indication that the national list has lost some of its effectiveness as a trade liberalization device.

During the negotiations held in 1961 and 1962 concessions granted under the national lists numbered 3,246 and 4,347, respectively. Between 1963 and the negotiations held in 1969, the number of concessions granted averaged approximately 550 each year. It is generally conceded that the national list concessions negotiated by a number of the member countries has not met the criteria for reduction established in the treaty.

In addition to the above factors, there is little evidence to indicate that progress has been made on the treaty commitment to harmonize economic policies with a view toward eventual formation of a Latin American Common Market.

### Caracas Protocol

During the year it became clear that a serious gap had developed between the goals of LAFTA and the progress achieved. Action was demanded on a broad range of fronts, and decisions were needed either to forge ahead with the free trade association and/or the common market, or to establish procedures for retrenchment. Until the ninth session of LAFTA, which began in October 1969, members were unwilling to face either task.

The Protocol of Caracas, adopted during the ninth session seems to represent a realistic assertion on the part of the LAFTA members of the pace at which they are willing to advance toward economic integration. The protocol provides members with a bit of breathing room before they must face the terms of the Treaty of Montevideo, and ultimately subject domestic industries to the realities of regional competition. The protocol enables the members to postpone the tough decisions without abandoning their professed commitment to economic unity.

The summit commitment to create a Latin American Common Market beginning in 1970 is never mentioned in the Protocol and in fact the term, common market, is never used.

The ultimate goals of the Treaty of Montevideo have not been sacrificed, but the methods to achieve them have been attenuated. The change in the terminal date for the completion of the free trade area from 1973 to 1980 represents a setback for the movement. The Protocol does state however, that before Dec. 31, 1973, the Permanent Executive Committee will complete the studies called for in Article 54 of the Treaty of Montevideo. Article 54 states that the Contracting Parties will make maximum efforts to orient their policies toward the creation of favorable conditions for the establishment of a common market.

The changing of the requirements for the national and common lists is also a reflection of the lack of popularity of the trade liberalization measures of the Treaty of Montevideo. The Protocol of Caracas provides that annual product-by-product negotiations will continue on the National Lists on the basis of a new tariff reduction formula of 2.9% of the average of duties applied against third countries. The Treaty of Montevideo stipulated that tariffs on items included on the National Lists would be reduced annually in a manner equivalent to 8% of the weighted average of the tariffs applied against third countries.

Complete implementation of the terms of the Treaty would have resulted in liberalization of 96% of total trade by 1973, or virtual free trade in items included on the National Lists. The new 2.9% reduction requirement is not only subject to future revision but also the mandatory nature of the percentage reduction requirement was eliminated.

### Common list changes

With respect to the Common List, the Protocol of Caracas states that no later than Dec. 31, 1974, the Contracting Parties will establish new criteria to which the Common List will be subject. During the interim, the fulfillment of the time schedule of the Treaty for implementation of the common list will not be obligatory. The concessions agreed upon on Dec. 7, 1964 (the first portion of the Common List) will not be affected before the new criteria are established; that is, probably not earlier than Dec. 31, 1974.

Another action taken by the member countries at the Caracas meeting was the approval of approximately 500 concessions in the national lists. The new list contains concessions on pharmaceutical chemicals and electric generators, relatively important in terms of U.S. exports to Latin America. In addition, a Protocol was approved by eight countries amplifying the complementation agreement on chemicals by including 95 new products.



XUM

LAFTA's progress in future years is expected to continue, but at a slower pace. Given the slower pace of integration, it appears that most investment decisions continue to be based on supplying a national market, participation within LAFTA being only a secondary consideration.

During 1969, two new complementation agreements were signed—one in the glass industry and one in the electrical generating equipment industry. Such agreements were originally established under the Treaty of Montevideo to facilitate the liberalization program and the growth of industry through negotiations on an industry-by-industry basis. Such arrangements would permit suppliers of a product in one LAFTA country, for example, to negotiate a reduced tariff for that product in another LAFTA country in return for similar concession for a related product of the same industry.

The Protocol of Caracas does not mention any change in the rules for negotiating additional complementation agreements. In the future there may be a greater emphasis on such agreements.

The complementation agreements, by their nature, permit participation by private interests. The failure to elicit private support for economic integration generally has been a serious handicap and has at least in part resulted in the modification of LAFTA as represented by the Protocol of Caracas. The new protocol to the complementation agreement in chemicals was apparently facilitated by constructive assistance from businessmen. Businessmen also apparently feel more at home in coping with agreements which are concerned with an industry they understand. Moreover, there was less incentive in the past to work out complementation agreements since free trade was scheduled for 1973. With the free trade target moved to 1980, there is much new reason to make increased efforts in this direction.

## Andean Group progresses

The treaty establishing the Andean Common Market was signed on May 26, 1969 in Bogota by Bolivia, Chile, Colombia, Peru and Ecuador. The treaty, known as the Cartagena Agreement, essentially provides for a common market within the six-nation area. The Andean Group is an official subregional group of LAFTA, operating within the provisions of the Treaty of Montevideo.

Fundamental to the organization of the group is the desire on the part of these relatively smaller Latin countries to both compete and negotiate on an equal footing with the larger economies of Argentina, Brazil and Mexico. The implementation of the treaty will require effort on the part of its members, as the number of commitments agreed upon is extensive. If successful, however, it should provide a stimulus to the entire Latin American integration movement.

The agreement constitutes a major achievement in the efforts of the countries to move toward economic integration. The lack of participation on the part of Venezuela, however, leaves a serious gap.

## Barriers to end by '80

The text of the agreement calls for the elimination of all trade barriers among the signatory members between Jan. 1, 1971 and Dec. 31, 1980, subject to certain escape clauses and the special treatment afforded to Ecuador and Bolivia. During this same period, a common external tariff is to be put into effect.

According to the agreement, all nontariff barriers to trade among the signatory countries are to be eliminated by Dec. 31, 1970. A number of other goals also are to be reached by this date, including: regulations affecting foreign capital, sectoral development programs, special treatment to be afforded to Ecuador and Bolivia, the compilation of a list of exceptions to free trade, and the determination of the base levels of the internal subregional tariff and the minimum common external tariff.

The signing of the subregional pact appears to have raised a number of questions regarding its relationship to LAFTA, such as: the method by which the group will ultimately negotiate for national list concessions (e.g. as a unit or as five separate countries); the effect on other LAFTA members, especially Argentina and Brazil, and the possibility that Argentina, Brazil and Mexico will turn increasingly toward complementation agreements as a response to the Andean action; and the possibility that the agreement may induce bloc behavior.

By the end of the year, the Foreign Ministers of the five Andean Group countries met in Lima to inaugurate the Group. At this meeting, the Andean Group Commission, composed of one representative from each member country, was established as the principal agency of the Group. In addition, a junta composed of the nationals of Colombia, Chile and Ecuador was also established as an executive agency of the Group. Lima was designated as the site of the junta.

As to the immediate future, a stance of cautious optimism appears warranted. The acceleration of trade among members of the group is the major goal. Judging from the existing trade patterns, the five Andean countries do not complement each other too well. Trade with Argentina, for example, is much more extensive than trade within the Group itself. However, supporters of the Andean Group believe that expansion of the market and resulting economies of scale in production will attract new industries and develop new trade currents among the group. The various escape clause mechanisms, and the interpretation given to these in practice, will be of the greatest importance.

In general, it seems likely that subregional development plans to be worked out in the near future will be among the more important measures in the integration process. This market, once it congeals however, can be expected to produce locally many items currently imported as the result of new investments, particularly in some consumer goods and other light manufacturing industries which can profitably operate within the economies of scale offered by the five-nation area. As a consequence of these developments, U.S. exports of goods capable of being produced locally will taper off, but exports of capital goods and consumer goods not susceptible to local production are expected to rise.

## Central America marks time

Loss of momentum was not only a characteristic of LAFTA but was a symptom of the disunity within the Central American Common Market (CACM) as well. The war between Honduras and El Salvador which began during the Summer of 1969 was a major deterrent to the economic integration movement which had its origins in the early 1960's. This factor, coupled with the devastating effects of hurricane Francelia and the ensuing floods, marked 1969 as a year of setback for the market.

The closing of the Honduran section of the Inter-American Highway during the year signaled an important decline in common market movement in Central America. The dislocation of intra-CACM trade has not yet been overcome. El Salvador and Honduras have not reestablished trade or diplomatic relations and Honduras continues to bar Salvadoran use of that portion of the Inter-American highway running through Honduras. A

ferry service across the Gulf of Fonseca, to supply Nicaragua and Costa Rica has been established as one means of maintaining common market ties.

Despite this recent crisis, the CACM has been the most successful of the integration movements in Latin America and is generally considered one of the most effective instruments of economic integration among the developing nations. The Treaty of Managua, signed in December 1960 by El Salvador, Guatemala, Honduras and Nicaragua, ultimately became the basis of association for what today is called the Central American Common Market. Costa Rica joined the group in September 1963. By 1966, internal tariffs had been eliminated on about 98% of the items traded within the area. The remaining 2%, however, accounts for about a fifth of the value of the area's trade and includes such items as refined petroleum products and important food items such as wheat, sugar and coffee. In addition, the members of the common market now levy identical import duties on 95% of all imports into the CACM under a single external tariff.

In the weeks immediately following the July war it was widely predicted that Central American trade would be rather quickly restored to pre-war levels, albeit with some changes in the structure of that trade. Now, more than eight months later, trade between El Salvador and Honduras is at a virtual standstill and trade among the other countries has suffered through a series of restrictions.

Lack of concrete trade data for 1969 makes any estimate very tentative but prospects for continued growth in 1969 were at best dim. During 1968, however, total imports into the Central American Common Market were valued at $1,053 million in contrast to the $1,030 million imported during 1967. Intra-CACM imports rose from $214 million to $259 million during the same year. In 1968 intra-regional imports accounted for almost a fourth of total imports in comparison with about 7% during 1961.

## U.S. exports level off

In contrast, U.S. exports to the CACM since 1966 appear to have leveled off. U.S. shipments to the area were valued at $353 million in 1969 compared with $366 million during the previous year. The entrance into effect of the San Jose Protocol in March 1969, imposing a 30% surcharge on certain non-CACM imports, appears to have provided additional stimulus to intra-regional trade. Without assessing the impact of the war on U.S. trade, the Protocol also appears to have been a contributing factor in the stagnation in U.S. exports to the area.

The summer hostilities probably have depressed private domestic and foreign investment interest in the area, possibly for an extended period. The longer term outlook is still uncertain as to whether the CACM as now constituted is or will remain responsive to the needs of its member countries.

In the meantime the fundamental causes of the Salvador-Honduran conflict have not been resolved and, considering the complexity of the basic issues and the high degree of emotion which characterizes the relations between the two countries, it is difficult to forecast much progress toward a speedy resolution of these issues.

## Carifta proceeds apace

The Caribbean Free Trade Association has completed a year-and-a-half of operations with few, if any, major problems. Under the agreement among the 11 British Commonwealth nations and territories, trade barriers among the members, with important exceptions, were subject to immediate removal. The remaining products still subject to duties are to be progressively lowered among the participating countries so that free trade in most products is achieved within five years for the relatively advanced members and in ten years for the less developed members.

To date the chief benefits, however, appear to have accrued to the somewhat more industrialized islands of Trinidad and Jamaica, which can sell increased amounts of their manufactures more readily than they can buy the few products, mainly agricultural items, produced by the smaller islands.

Incomplete data do not fully reflect the effect on intra-CARIFTA trade as a consequence of the coming into force of the trade agreement. However, an increased expansion of trade between Jamaica and her CARIFTA partners is discernible. Figures for January through July 1969 show that total Jamaican exports to CARIFTA countries increased by 63% while imports rose 45%, improving Jamaica's net balance of trade three-fold to $753,943 for the first seven months of 1969.

There are a number of advantages which will accrue to the members of this free trade association, including the potential for developing sizable markets for their agricultural and industrial products. This, together with incentives built into CARIFTA, will serve as an attraction for foreign investment.

However, a number of factors limit economic growth of the CARIFTA members despite the integration moves. To a large extent the members rely on agriculture as the basis for their economies. The small amount of cultivable land, low fertility and unreliable rainfall curb extended growth. High birth rates and increased mechanization contribute to a high rate of unemployment in the agricultural sector. These factors have given rise to a perceptible shift to industrialization as an alternative method of economic growth.

Externally CARIFTA faces obstacles of great distances and deficient communications among its members, the limited volume of present intra-area trade, and the disparity in the per capita income which varies from $822 in Trinidad and Tobago to $185 in St. Vincent.

Despite these barriers the establishment of a free trade area is proceeding as planned. CARIFTA members have recently assessed the results of the free trade area and considered proposals to widen the scope of the organization and agreed to proceed with a study on the feasibility of establishing an external tariff. The necessity of adopting uniform animal and plant quarantine regulations in order to remove impediments to free movement of agricultural produce and livestock among member countries was also noted.

The Caribbean Development Bank has been approved after overcoming a number of organizational difficulties. The official inauguration took place on Jan. 31, and Barbados was confirmed as the site of the Bank headquarters. Members of the Bank include the CARIFTA countries, British Honduras and the Bahamas plus non-regional members Canada and the United Kingdom.

The Bank's aim is to coordinate the members' development programs and labor supply to better utilize resources and markets. By combining planning and technical assistance with loans and investments the Bank hopes to stimulate complementary growth and orderly trade among the many separate economies. The emphasis, at least initially, will be on tourism, light industry and agricultural diversification, which should prove particularly beneficial to the smaller islands.

The present small amount of intra-area trade is not expected to climb substantially within the next few years. Of importance to U.S. exporters is the developing market within this area. U.S. exports to the members of CARIFTA totaled about $297 million in 1969 in comparison with U.S. exports of $264 million in 1968.

Generally the CARIFTA area is becoming a more attractive market which should provide an enlarged market for raw materials and semi-manufactures, and an increased appeal for U.S. industries interested in investment.



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# U.K. upturn is continuing

## Market should continue to expand despite expected slowdown in world trade growth

By HAROLD E. HALL
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British demand for most American goods and services should remain strong throughout 1970, although business operations may be conducted in an aura of some uncertainty arising from the prospects of a national election and from renewed discussions on British entry into the European Common Market.

In a world trade climate in which the United States enhanced or retained its share of imports in few of its principal markets, the performance of American exports to the United Kingdom continues to be heartening. For the sixth consecutive year the United States increased its share of the British market. This share rose from 13.3% in 1968 to 13.5% in 1969, with the value of Britain's imports of U.S. products climbing from $2.53 billion to $2.69 billion (U.K. figures).

### Machinery is big item

U.S. exports to the United Kingdom in 1970 are expected to be primarily in the category of manufactured goods, with machinery and aircraft as the leaders. The value of British imports of United States machinery increased by 13% in 1969, from £281 million ($674 million) in 1968 to £318 million ($763 million) in 1969, and sales in this field are expected to remain high as British companies modernize their industries through imports of American machinery.

During 1970, Department of Commerce-sponsored industrial exhibitions and Trade Center shows will feature the latest American equipment in the fields of data transmission, biochemical testing and unit controls; pulp and paper processing, electro-opticals, electronics and automation, packaging, vacuum and cryogenics, industrial process controls, and medical engineering. These exhibitions will take advantage of the lead in technological development that the United States enjoys in many of these areas.

In appraising the overall climate in the United Kingdom for the sale of American products, there is a tendency to be somewhat pessimistic on the grounds that the rate of growth of overall world trade may decline in 1970. However, it is difficult to temper the feeling of guarded optimism that generally prevails in the British commercial community.

The U.K. economy has commenced 1970 with perhaps the most substantial and favorable position recorded in many years. The pound has achieved a good level, substantial repayments have been made on the nation's overseas debts, the balance of payments has moved into a surplus position, and for the sixth consecutive month (through January) the United Kingdom recorded a favorable trend in visible trade.

**Value of British merchandise imports**

*($ million)*

| Year | From all sources | From U.S. | % of market held by U.S. |
|---|---|---|---|
| 1965 | 16,136 | 1,884 | 11.1 |
| 1966 | 16,652 | 2,016 | 12.1 |
| 1967 | 18,035 | 2,248 | 12.4 |
| 1968 | 18,936 | 2,532 | 13.3 |
| 1969 | 19,956 | 2,695 | 13.5 |

Furthermore, British business anticipates that 1970 will see the continuation of those increased orders which first became noticeable in the fall of 1969. Industrial output is expected to rise, performing with more or less the same size labor force as in 1969. Some shortages in raw materials used by the engineering and pulp and paper industries may occur and, with the passing of the more rigorous phases of the Government's wages and income policy, a higher trend in wage costs seems inevitable.

However, most companies apparently anticipate passing their increased costs along to the consumer, inasmuch as they are counting on improved profit margins in 1970.

Capacity utilization within Britain's industries is expected to remain broadly unchanged from 1969, with shortages continuing to be felt in the engineering, brewing, distilling, and pulp and paper industries. Increased capital investment appears essential if Britain is to combine a balance of payments surplus with a satisfactory and sustained rate of economic growth at home, and the forecast for manufacturing industry's investment suggests that such investment in 1970 may rise by about 9% compared with 6.7% in 1969 and 3% in 1968.

### Auto industry has problems

Perhaps the most discordant note in an otherwise generally favorable domestic economic climate lies in Britain's automotive industry. This industry is going through troubled times. Its home market continues to be constrained by the Government's economic policy, and it is currently beset by a series of highly damaging labor disputes. Vauxhall Motors, one of the largest of the automotive producers,

BRITISH PORTS are handling a steadily increasing volume of imports from the U.S. This British-produced transporter, stacker and vehicle loader unit is designed to meet all container marshalling requirements.

**Value of U.S. products imported by U.K.**

*($ million)*

| | 1968 | 1969 | % Change (+ or −) |
|---|---|---|---|
| Machinery and tools | 674 | 763 | +13.1 |
| Manufactured goods | 538 | 600 | +11.6 |
| Transport equipment | 401 | 480 | +16.4 |
| Food and beverages | 382 | 358 | −6.3 |
| Chemicals | 226 | 218 | −3.9 |
| Raw materials | 161 | 173 | +7.2 |

reported a £2 million ($4.8 million) loss in 1969, the worst financial setback ever recorded by this subsidiary of General Motors, and Ford (U.K.) experienced a depressing first quarter in attempts to reach wage agreements with its labor force.

The commercial climate in Britain during 1970 also will be influenced by political factors. The Government is required by law to hold a national election by May 1971, and Labor Party leaders obviously are searching for the most propitious moment to hold this election.

Equally in the spotlight are the continuing discussions on Britain's entrance into the Common Market. The White Paper issued in February leaves no doubt but that the Government's policy remains in favor of Britain's entry, despite an apparent cooling of ardor in many channels.

British entry probably could not be gained before 1972 at the earliest, and the effect of such entry on the sale of American products and services in the United Kingdom could range widely, from a decidedly negative effect on such agricultural products as tobacco and grain to perhaps little effect on the importation of American equipment in the technical and scientific fields.

Conversely, entrance into the Common Market could be of substantial benefit to American subsidiaries located in the United Kingdom on the basis that their British-made products eventually would be offered for sale in Common Market countries.

In conclusion, therefore, there are several factors which collectively point to a 1970 commercial climate that is favorable for the sale of most American products in Britain.

*Consumer expenditure* should increase beyond the 1%-1½% recorded in 1969;

*Investment expenditures* on new machinery and plant equipment is expected to rise in 1970, and much of this will be ordered from the United States;

*Stockpiling* was relatively low in 1969, and the ratio between manufacturers' stocks and output is expected to rise in 1970;

Many businessmen are of the opinion that the *Import Deposit Plan* will not be renewed when its powers expire in November;

With a *national election* on the horizon, the British Government probably will not resort to severe measures to steer the growth of the domestic economy along specific channels detrimental to the business community or to contribute to the restraint of world trade in general.

## Switzerland Kennedy Round cuts now fully implemented

Switzerland has fully implemented its final Kennedy Round concession duty rates, effective Mar. 1, as part of its campaign to contain inflation.

Switzerland's Kennedy Round concessions—amounting to 50% on many items—were to be accomplished in five equal annual reductions beginning on Jan. 1, 1968 and ending Jan. 1, 1972. The first two cuts were made on Jan. 1 of 1968 and 1969, but with the implementation of the last three cuts simultaneously on Mar. 1, Switzerland has fulfilled its Kennedy Round obligation almost two years in advance.

The practical effect of this move is that many of the Swiss duty rates were reduced substantially on Mar. 1, e.g., rates on items that received concessions of 50% in the Kennedy Round were reduced by 37.5%.

Information on duty reductions applying to specific products is available from the European Division, OIRE, Bureau of International Commerce, U.S. Department of Commerce, Washington, D.C. 20230.

## AMA to review Brazilian law, finance, accounting methods

U.S. firms can gain an introduction to Brazilian law, finance and accounting at a special American Management Association orientation session on April 9.

Three specialists in money, finance and law will briefly review the current state of the Brazilian economy, giving major economic indices and relating them to regional and national growth, and describing incentive programs in progress. Sources of financing, local as well as international, and the methods, practices and approaches of reporting results of Brazilian operations will be covered, together with current tax and investment regulations.

**Write:** American Management Assn., AMA Building, 135 West 50th Street, New York, N.Y. 10020.

## France reiterates rules on prior declaration procedure

The Bank of France has distributed a circular note to "authorized intermediaries" (banks and other institutions designated by the Government under the exchange controls to perform foreign exchange operations) calling attention to the procedures governing so-called "back-to-back" financial transactions with foreign companies. These are reciprocal arrangements between French and foreign companies which have affiliates in each other's countries by which, for example, a French parent firm puts at the disposition of a French subsidiary of an American enterprise a certain amount in francs and the U.S. parent firm makes an equivalent amount in dollars available to the American affiliate of the French parent. The circular reminds authorized intermediaries that such operations are subject to the prior declaration procedure regarding investment intentions by foreign firms in France and French firms abroad.

Procedures concerning foreign direct investment in France are described in Overseas Business Report 68-103, *Establishing a Business in France.*

## Spain offers incentives for investment in certain regions

In order to stimulate new investment opportunities in the private sector, the Spanish Government recently announced that benefits will be available to investments that meet certain social and economic requirements and are established within the industrial Development Zones of Burgos, Huelva, La Coruna, Sevilla, Valladolid, Vigo and Granada. The benefits offered include expropriation of the land required for the installation of the facilities involved, rebates up to 95% on various taxes, rebates on the customs duty on imported capital goods not produced in Spain, a cash subsidy of up to 10% of the original investment and availability of official credit.

Investment proposals must be filed by May 15, 1970.



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# Germany steadies surge

## Output limits, revaluation may slow economy in 1970 after remarkable showing last year

Capacity limitations are bound to bring a slowdown in real growth in 1970 but the underlying dynamism of the German economy remains strongly in evidence according to the semi-annual Economic Trends Report from the U.S. Embassy in Bonn. The 1969 results—8.4% real growth, 11.8% gain in gross national product in current prices—confounded the experts, who had nearly all expected a marked slowdown in the second half of the year. Instead, the investment boom continued its phenomenal course (investment in equipment during 1969 was 28% higher than in 1968), and the export surge was maintained (up by 14%). To be sure, in both these areas some loss of momentum was noticeable toward the end of the year, but substantial wage increases, particularly in the closing months, enabled private consumption to nearly double its 1968 growth rate, rising by 10.4%.

### Basic economic goals unchanged

Among the general implications for American interests of current German economic trends are a continuation of a liberal market philosophy and sensitive government application of a range of countercyclical policy weapons to avoid the excesses of either inflation or recession. The change in government from a Christian Democrat-led coalition to one dominated by the Social Democrats does not alter this basic economic background. The German government remains committed to four major economic policy goals: steady and adequate growth, price stability, high employment, and external equilibrium.

In the Stability and Growth Law, the government has available an impressive arsenal of modern anticyclical weapons. Given the traditional German fear of inflation, relatively lower price increases can probably be anticipated in Germany than in other major industrial countries. Even in 1970, when cyclical strains are most pronounced, the German consumer price increase will probably rank among the lowest. One shift in emphasis that could conceivably be of significance to American business interests is a promised strengthening of anti-trust legislation and surveillance of mergers, in order to forestall excessive concentration and ensure competitive conditions.

Against this general background, what particular German sectors have the most favorable prospects this year? According to the latest business polls, the most dynamic growth expectations are registered by the retail trade and the construction industry. Industrial building, heavy construction, and pre-fabricated housing contractors anticipate especially favorable developments. Retailers forecast strong growth in virtually all branches, with particularly high expectations for food and beverages, textiles, clothing and shoes, electrical and household appliances, furniture, glass and porcelain, leather goods, and toys.

### Germans shop by mail

It is interesting to note that Germans spend per capita nearly four times as much on mail order purchases as Americans. There also appears to be a trend toward more supermarkets, shopping centers, American-style drug stores, and specialty boutiques.

At the industrial level, a degree of restraint characterizes current expectations for the coming months. Among the most optimistic sectors at the producer level are chemicals, mineral oil processing, rubber, motor vehicles (except for their export trade), electrical equipment, wood products, and plastics.

Turning to specific U.S. export potential, it may be noted that the strongest growth last year was recorded by semi-finished aluminum, nickel, and copper products, rolling mill products, electrical equipment, machine tools, paper and printing machinery, pumps and compressors, textiles, and optical and precision instruments.

In addition to consumer goods items, 1970 export opportunities are particularly strong for scientific and high-technology products, capitalizing on the growing German emphasis on research and development.

### Industry performance

**The most dynamic German industries are chemicals and chemical fibers, plastics, mineral oil processing, electricity supply, electrical engineering, and motor vehicles. The services sector is also expanding strongly. Industrial branches seriously lagging behind the overall growth rate include shoes, shipbuilding, sugar, steel and light metal construction, leather, and coal and iron ore mining.**

### U.S. farm sales are sluggish

U.S. agricultural exports to Germany continue sluggish. Gains were recorded last year for raw tobacco, soybeans and soybean meal, and canned fruits, while feed grain and cotton sales declined. The coming year should not bring much change. High-quality wheat sales should hold their own. Longer term tobacco prospects are clouded by impending European Economic Community market regulations.

Although Germany should also in the future be an important supplier of capital to the world, German authorities have expressed serious concern at the dimensions of the outflow in 1968 and 1969. Indeed, in a move to encourage some inflow, the government is proposing legislation to remove the 25% "coupon tax" on the yield of domestic fixed-interest securities purchased by foreigners. Germany continues to be a major free capital market, and both government and Bundesbank have declared their intention to maintain freedom of capital movement. Reflecting the changed liquidity and balance of payments atmosphere, however, new foreign bond issues have ceased since mid-December. German short-term interest rates have already closed the gap with the previously higher Euromarket rates, and the yield on foreign issues has climbed sharply, to 8.3%. On balance, American companies this year will probably find a decidedly chillier climate in German financial markets than what they have been accustomed to in the past.

Both official spokesmen and representatives of private industry and finance have spoken out for a change in the structure of German capital export, recommending a shift in relative emphasis from portfolio investment and bank lending to direct industrial investment abroad. With domestic resources increasingly overstrained, many industrialists and bankers now feel that the maintenance of a strong

balance of payments and export position in the long run will require greater direct investment in production facilities abroad.

German direct investment abroad rose to a record DM 2.2 billion in 1969, roughly 40% higher than the 1968 result. By mid-1969 total German direct investments abroad were estimated at DM 16 billion, led by the chemical industry (DM 3.5 billion), followed by electrical equipment, automobiles, mechanical engineering, and iron and steel. The parity change obviously increases the attractiveness of purchasing productive facilities abroad, at the same time as it adds a burden to German exporters. Particular interest has focused recently in investments in the United States, notably in petrochemicals and plastics. U.S. state governments are contributing to this trend through trade missions able to discuss specific investment possibilities with German entrepreneurs.

What can follow a boom year that surpassed all expectations? For 1970, real growth is expected to be somewhat restrained by the limits to further expansion of output, reinforced by the anticipated cooler world economic climate and the effects of the 9.3% deutschemark revaluation. Even so, the government projects a respectable real growth in a 4-5% range, with expansion of GNP in current prices at 9-10%. These estimates generally agree with those of independent German observers, including the private economic research institutes. Both private consumption and investment in fixed assets are forecast to continue rising strongly in 1970, with the former growing by 9.5-10.5% and the latter expected to climb by 13-14%.

## Rising prices

Continuing signs of strain in the economy are perhaps most evident in the rate of price increases this winter. The cost-of-living index in January jumped to a level of 3.5% over January 1969, prompting renewed expressions of concern from official and private quarters. Industrial prices are climbing even more sharply: the January overall index was 5.8% higher than January 1969, with the rate of increase for prices in the investment goods sector reaching 9.2%.

Behind the unfolding price wave lies the pressure of mounting costs, particularly wages and salaries. The wildcat strikes of last autumn engendered a substantial hardening of union demands. Largely as a result of recent contract settlements, the Bundesbank currently estimates that actual hourly wages are up by more than 13% over a year ago, and this trend is expected to persist in 1970. With overall productivity officially estimated to grow by 4.5% this year, it is evident that unit labor costs are rising substantially.

## Labor market is tight

The wage situation is, in turn, a reflection of unprecedented tightness on the labor market. Unemployment this winter is at a seasonally-adjusted rate of 0.7%. The labor situation is so extreme that many vacancies are reportedly not even being registered with the official bureaus because of hopelessness of results. Even so, registered job vacancies are nearly a third higher than the corresponding period a year ago, and the highest ever for this season. Some flexibility is provided by the influx of foreign workers, who have now reached a record number of over 1.6 million—nearly half a million more than a year ago. There are over 70,000 advertised vacancies for foreign workers alone.

Production capacity utilization is also at a record post-war peak, averaging well over 90%. Industrial production in recent months has proven surprisingly elastic. The 12.5% year-to-year expansion in 1969 exceeded the 1968 growth rate. Output is, however, beginning to flatten, and the previously phenomenal rates of productivity increase are slowing markedly as the last labor reserves are absorbed and the physical limits of capacity are reached.

Despite the continuing signs of strain, Germany's leading economic research institutes believe that the economy is in the last stages of the boom and that calmer waters lie ahead. The main evidence cited is the development of new orders. Growth in foreign demand has definitely slackened significantly following revaluation. Domestic new orders are also, in the view of many analysts, slowing down, although the latest evidence is not entirely conclusive. The research institutes signal a possible cessation to the steady lengthening of order backlogs, which carried manufacturers' order books to an equivalent of over four months output—higher than any previous postwar



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boom period. In the capital goods sector alone, the backlog is nearer six months, and for some branches, notably machinery, production at present levels of capacity is secured practically until the end of this year.

It appears that the combination of rising costs and growing limitation of financing possibilities is beginning to induce some restraint in the investment sector. The growth in business income is projected to decline from nearly 9% last year to 4-5% in 1970. Under the circumstances, it would be difficult to expect that the phenomenal 1969 average growth rate of 19% for investment in fixed assets could be maintained into the current year. Inventory build-up is also slowing, due primarily to more expensive credit.

Among the more intangible indicators of coming directions for the German economy, business polls reveal that signs of caution are beginning to temper the previously unalloyed optimism of industrialists. Fewer firms are characterizing their backlog level as "relatively high" while, conversely, inadequate inventories are being less frequently cited. The stock market, too, has retreated by 13% from its mid-November high point.

From the above-described conditions a picture emerges of an economy which, although still demonstrating signs of overheating, nevertheless seems headed for gradually more restrained underlying real growth due simply to the fact that reserves of productive resources have been virtually exhausted. The big question nevertheless remains whether this slowdown in real growth will be accompanied by an equivalent slowdown in price increases. Research institutes point to many similarities between the current situation and the turning-points of the 1961-62 and 1965-66 booms. One of the main differences from earlier boom periods, to be sure, is the unusually long order backlogs, which provide a cushion for production and employment against an abrupt downturn in demand.

Bearing in mind the traditional extreme sensitivity of public opinion to price increases, the new government unveiled a stabilization program designed to curb inflation yet avoid endangering growth later in the year. The main element of the new program lies in federal budgetary restraint, with the state and local authorities agreeing to follow similar policies. The proposed 1970 federal budget provides for expenditures of DM 91.4 billion, representing a substantial 12% rise over 1969 outlays. This rather sizeable increase was due both to commitments of the previous government and programs of the new coalition, particularly for agriculture (including expanded payments to the EEC and income equalization to German farmers to compensate for revaluation effects), federal pay rises, increased pensions, defense obligations, and new directions in education and scientific research.

## Items in high demand

**Recent exhibitions at the U.S. Trade Center in Frankfurt indicate strong sales potential in Germany for computer communications and display equipment, electrical connectors and electromechanical components, materials and instrumentation for the plastics industry, and geophysical equipment.**

**In addition, market research reveals special demand for industrial and commercial refrigeration equipment, computer output microfilm, servomechanism systems and components, precision tools and gauging instruments, analog and hybrid computing systems, automatic and continuous industrial distribution systems and control equipment, digital and graphic recording instrumentation, telemetry equipment, small process computers and peripheral equipment, satellite communications systems, advanced electric heating elements, advanced pumping equipment, and water sports equipment.**

## Partial budget freeze

At the same time, however, the government proposes to freeze DM 2.7 billion of the budget (roughly 3%), which it will only unblock if the economy shows definite signs of requiring stimulation later in the year. If the funds remain blocked, federal outlays would show an expansion rate of 8.8% over 1969—less than the projected 9-10% growth in nominal GNP—and no federal borrowing would be required. Moreover, to accentuate the restrictive fiscal effects in the first half-year, when price pressures are expected to be strongest, Finance Minister Moeller has instituted special administrative procedures to hold down outlays—particularly public investment—until the 1970 budget is formally passed by parliament some time in May. These measures are expected to result in limiting the rise in federal expenditures for the first half to a modest 4% over the corresponding period of 1969, while yielding a substantial budgetary surplus for the first six months of 1970.

The government expects that the total public sector will have a greater contractionary impact in 1970 than in 1969, with the net financial surplus rising from DM 5 billion to DM 8.5-9.5 billion. It should be noted, however, that the major factor responsible for this increase is a substantially greater 1970 surplus of the social insurance system.

Reinforcing the expenditure policies in the stability program is a requirement for DM 2.5 billion in public revenue to be neutralized through deposit this spring in a special "countercyclical reserve fund" at the Bundesbank (DM 1.5 billion by the federal government and DM 1 billion by the states). In addition, certain tax relief measures originally promised by the new coalition are to be postponed.

Other elements of the stability program include holding the line on administratively controlled prices, government scrutiny of food prices to ensure that revaluation savings are passed on to the consumer, and a sharper anti-cartel policy to inhibit price rises stemming from market dominance. At the current writing the government is considering whether additional restraining fiscal policy measures are required.

The massive outflow of liquid non-bank funds from Germany in the months following revaluation—totalling approximately DM 16 billion by the end of January—completely changed the financial climate, reinforcing the Bundesbank's continuing tight money policy. The banking system, which in the period preceding revaluation had enjoyed unusually high liquidity (due to speculative inflows), was suddenly besieged by the most hectic demand for credit to the private sector in Germany's post-war history. In the fourth quarter of 1969, the banks extended over DM 22 billion of credits to the private sector, more than in any previous three-month period and almost twice as much as in the corresponding quarter of 1968.

In the course of this development, bank liquidity was falling drastically: free liquid reserves of the banking system fell from 12% before revaluation to under 6% by the end of January—the lowest level in five years. Money market interest rates climbed to over 9%, their highest level in 20 years. The tightened liquidity conditions are reacting most severely on the bond market. While long-term interest rates on domestic issues have climbed relatively slowly, reaching 7.6% by the end of January, this has mainly been because of extreme reserve by underwriting banks: the value of domestic bond

issues in the last quarter of 1969 was the lowest in three years, and has declined further thus far in 1970.

The Bundesbank continues to endorse a policy of tight liquidity and high interest rates both in order to control domestic price pressures and for balance of payments reasons.

Germany's balance of payments in 1969 showed a deficit of DM 18.7 billion, reversing the DM 5 billion 1968 surplus. With the outflow of speculative funds following the revaluation, official reserves declined by DM 20 billion since last Sept. 30. At $7.4 billion, however, Germany still holds the second highest reserves in the world, and they are not much less than their 1962-66 average.

The wave of German long-term capital exports, which had been mounting rapidly in 1967 and 1968, again broke new records last year. All-time monthly records were set and then successively eclipsed in October, November, and December; in the latter month alone DM 4.4 billion flowed out. For 1969 as a whole, total net long-term capital outflows reached DM 23 billion, double the previous record set in 1968. Private long-term capital accounted for over DM 21 billion, chiefly bank lending abroad and German purchases of foreign bonds, shares, and mutual funds. This year, however, the changed atmosphere in German financial markets will prevent outflows of such dimensions.

Exports last year maintained the same 14% growth rate as in 1968, while imports, reflecting the domestic boom, recorded a 21% jump over 1968 results. The resulting 1969 trade surplus of DM 15.6 billion was lower than the record DM 18.4 billion of 1968, but this was mainly due to a shift of exports into the closing weeks of 1968 in order to avoid the special 4% export tax that became effective in 1969. (The export tax, as well as the corresponding import rebate, was rescinded with the DM parity change last fall.)

## Revaluation to affect trade

The revaluation is expected increasingly to affect Germany's foreign trade in the coming months. The most conspicuous initial effects of revaluation are on export and import prices and foreign orders. The Bundesbank estimates that the prices of German exports to foreign buyers rose in 1969 by an average of 14-15%; for French purchasers, the effects of the franc devaluation cumulate to a total price increase of about 25%.

Further, the growth rate of foreign orders has dropped sharply, although it is still too early to separate the longer-lasting effects of the parity change in curbing foreign demand from the extent to which slower new order growth is a reaction to the pre-revaluation surge. Extensive export order backlogs will prevent any dramatic change in German export figures, but for 1970 as a whole, the government expects a slowing of the growth rate to around 6%.

Following revaluation, import prices to German buyers have not declined noticeably, but since domestic prices are accelerating their increase, foreign goods enjoy a growing relative competitive advantage. Imports are at a record volume, and are expected this year to continue to climb far more rapidly than domestic production, in real terms by as much as 13-14% according to the official projection. Among the major service items, it is worth noting that net German tourist expenditures jumped by DM 1 billion in 1969 to a record total of DM 3.7 billion, a tendency expected to be reinforced by the revaluation.

The government believes that the sum of these trends will reduce the surplus on the balance of goods and services from DM 15.6 billion in 1969 to DM 11 billion in 1970. The private economic research institutes do not, however, project a fall of this magnitude.

## Economy should stay healthy

Recent official medium-term planning exercises project a continuation of basically healthy economic trends in Germany for the next several years. The government raised its estimates of average annual real growth through 1974 to 4.5%. It appears that investment in rationalization and recent technological advances have led the government to reappraise the scope for future productivity gains.

Gross national product in current prices is projected to rise by an average of 6.8% annually, bringing it to more than DM 820 billion by 1974. Reflecting continued growth of incomes and full employment conditions, private consumption is expected to increase its share of GNP during this period although, at an estimated 56% by 1974, it still has room to catch up with other prosperous Western economies.

The government forecasts relative price stability following the continuing cyclical strains of 1970: from 1971 to 1974 the average annual increase in overall prices (GNP deflator) would only be about 1.5%. The government also targets only a modest rise after 1970 in the surplus on the balance of goods and services, to DM 12.3 billion in 1974, i.e., far below that of 1967-69, and amounting to only 1.5% of GNP.

One of the most significant trends in the current economic scene is the growing emphasis on science, research and development. German businessmen are increasingly research-minded, as structural labor scarcity puts a premium on rationalization and cost-saving technological innovation. Rapidly rising allocations for science in the federal budget reflect a government goal of actively assisting German industry in maintaining international competitiveness in such new-technology areas as electronic data processing and space research.

**MARKET RESEARCH** has revealed special demand in Germany for, among many other products, refrigeration equipment. Tyler Refrigeration of Niles, Michigan made these sales cases for a German supermarket.

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# Continued rapid economic growth is likely for Dominican Republic; more imports required this year

## Foreign goods needed in larger quantities to supply investment projects, domestic industry and growing consumer demand

Gross domestic production of the Dominican Republic probably will show another increase in 1970, of perhaps 5% to 6%. This projection in the semi-annual Economic Trends Report from the U.S. Embassy in Santo Domingo is based largely on expected further gains in agricultural production, sharply rising construction activity and a continuation of recent-year trends in other sectors.

As much of the direct investment-related import growth expected for the last half of 1969 was delayed until the start of 1970, this year may see even greater import increases than was earlier anticipated. The principal impulse will come from the specialized equipment requirements of Falconbridge and Shell investments and Compania Dominicana de Electricidad in connection with its Tavera Dam irrigation and power project and other electrification projects. A further impulse should be felt from an expected increase in purchases in the United States under AID Letters of Commitment for various development projects. Import demand should also rise in response to the 7.8% real income increase in 1969 and an expected further increase in 1970.

Rising imports and recent and future liberalization of regulations governing general import financing under AID Development Loans widen opportunities and at the same time tend to increase the export challenge from foreign competitors. AID financing for general imports already on hand or to be made available in 1970 is expected to reach almost $15 million. AID Letter of Commitment financing for specific equipment, materials and technical services from U.S. sources only may reach as much as $11 million in 1970. A further PL-480 agreement covering possibly $9 million of U.S. agricultural commodity exports in 1970 may also be arranged.

U.S. suppliers continue to face stiff competition from Japanese and Western European exporters who are very actively promoting a wide array of consumer durables and other goods. The efficacy of their efforts is indicated by a higher rate of increase of total imports than of Dominican imports from the United States during recent months. Spanish firms recently won a contract to build and supply equipment for the Valdesia dam and other western Europeans recently have shown interest in financing the construction of several irrigation dams.

### Exchange difficulties easing

U.S. exporters are finding that the average delay of receipt of foreign exchange against collection import documents is now about five months as compared to eight months during most of 1969. For the future, the two main unknown variables governing conversion delays are the final size of the Dominican allotment in the U.S. sugar market and demand for imports that affect Central Bank foreign exchange. The former is highly dependent, in turn, on shortfalls of other sugar suppliers in meeting their allotments.

Most of the expected import growth in 1970 will be financed directly by private foreign investment, under assistance loans or *divisas propias* (exchange held outside the banking system by Dominican residents). There is some possibility, however, of a new surge in general import demand in 1970 induced by continuing economic recovery and growth, that might limit the Central Bank's capacity to reduce conversion delays.

U.S. suppliers shipping under letters of credit can expect current conversion of payments on their transactions.

Profit remittances, payments for services and the like are being converted on a current basis once Central Bank approval has been given. Some firms are still experiencing difficulties in obtaining the necessary approval.

Private investment in the Dominican Republic is rising. An important factor in support of this trend is the relative political stability that has been maintained for the past three years and is continuing even during the present period of uncertainty arising from the approach of presidential elections to be held in May.

Dominicans and foreigners alike are preparing many investment projects now, not all of which are being held in abeyance until the election outcome is known. Announcements of new investment starts may come in a flurry once present political uncertainties subside.

With the passage in January 1970 of laws regulating the tourism industry and establishing a government corporation for the promotion and financing of tourist facilities, the stage appears to be set for the entry of the Dominican Republic into the Caribbean tourist market. Several foreign companies are preparing substantial tourism investment projects now. The Government is expected to direct an increasing share of its expenditures to providing infrastructure in support of the tourist industry.

Meanwhile, opportunities for U.S. investors may be only slightly less attractive in the development of agricultural products for export and in light manufacturing in industrial free zones. The industrial free zone operated by Central Romana (a division of Gulf and Western) is already in operation.

The investment climate remains fair. The overall size of U.S. private investment in the country is considered large by many Dominicans, both in and out of government, in relation to the size of the economy. Government officials and Dominican businessmen prefer to see any further foreign investment flow into new areas or those which can be developed only by large companies or companies commanding a high level of technical know-how. Among the foreign firms that have recently or are presently investing in the Dominican Republic are Falconbridge Nickel Mines, Ltd., Gulf and Western, Shell International, General Milk, Nestle, American Can, Phillip Morris, and several foreign banks and smaller companies.

### Agricultural outlook bright

Agricultural production, which is of major importance to the economic well-being of the country, is expected to register further gains in 1970 of perhaps more than 5%. An abundant supply of rainfall in recent months, rising use of fertilizer, pesticides, improved seeds and a possible increase in credit to the sector all hold promise for a further substantial increase over 1969 production, which was about 12% greater than in 1968.

Sugar cane, the country's principal crop, rice, tobacco, cacao and meat are all expected to reach higher output levels than in 1969. Some of these increases are expected from further recovery from the 1967-68 drought. Rice production may well be sufficient to provide a buffer

reserve under the Government's price stabilization program. The Price Stabilization Institute, which was established in December 1969 to take over administration of the program, is expected to have adequate storage facilities with the completion within the next few months of the new silo program. Production increases are expected to be reflected in an increased volume of most agricultural exports in 1970.

Sugar production recovered so well in 1969 that the Dominican Republic filled its U.S. allotment of about 693,000 short tons, satisfied growing domestic consumption and ended up with about 130,000 short tons of raw sugar in stocks. With 1970 production expected to at least equal 1969 performance, the Dominican Republic may ship significant amounts to the world market for the first time since 1966.

The Government has increased its budget for agricultural programs and foreign assistance institutions are showing interest in providing further help to agriculture in such areas as the financing of rural electrification and agricultural inputs that must be imported such as machinery, fertilizer and pesticides.

The preliminary indications of a small, still incomplete survey of businesses taken in January and February 1970 are that sales levels were higher in the second half of 1969 than in the second half of 1968 by 10% or more. As of the time of the survey, businessmen's expectations of further sales gains (on an annual basis) were mixed. Of the responses received thus far, a majority of the firms expect sales to continue a strong rise while a few firms expect a setback of from 5% to 10% in the first half of 1970.

## Businessmen less optimistic

Some deterioration in sales expectations is also supported by the view of a significant minority of those replying thus far that general business conditions are not better than a year ago. Businesses polled six months ago were nearly unanimous in their view that general business conditions were better than a year earlier. A far smaller percentage of respondents to the present survey report plans to start or finish the construction of new facilities in the near future than was indicated by the survey of six months ago.

All these indications of some weakening of the business outlook probably are closely related to the uncertainties of the presidential election campaign period and the election itself which is to take place in May 1970. There are indications that, contrary to some survey responses, sales are holding up well on an annual basis and that plans for new facilities will be unshelved rapidly following the present period of political uncertainty before the May elections.

The partially completed survey also indicates that a very high proportion of the respondents increased the average wage paid in the second half of 1969 and several firms reported employment increases of 10% or more.

This sketchy picture, when filled in with the expansive bank loan and monetary trends described below, indicates that demand and sales are continuing to rise despite an increase in business wariness about the immediate future.

### Implications for U.S.

The implications that current trends in the Dominican Republic have for the United States are:

U.S. export opportunities will rise but U.S. exporters will have to give increasing attention to their market shares;

Foreign exchange arrears and other exchange difficulties are easing; and

New investment opportunities are expected to open up soon.

## New ferronickel plant

Negotiations and acceptance of a new agreement was completed in the final months of 1969 covering the Falconbridge Dominicana, C. por A. project to develop and construct an open face mine, processing plant and related installations. The plant is expected to begin exporting about $62 million worth of ferronickel per year in 1972. The total development cost of the mining complex is estimated at nearly $200 million, most of which is being financed by U.S. financial institutions and the World Bank. Falconbridge Nickel Mines, Ltd. of Canada holds a major interest in the Dominican corporation and Armco Steel (U.S.) and the Dominican Government hold minority interests of 16% and almost 10%, respectively. Construction of the complex is now progressing rapidly.

Negotiations between the Government and Shell International Petroleum Co., Ltd. on a $30 million petroleum refinery were also concluded near the end of 1969. Construction of the refinery, to be located about 12 miles southwest of Santo Domingo, is not expected to begin until June 1970. The Dominican Government will take a 50% interest in the refinery company.

Construction is expected to be completed by the end of 1970 on two milk and milk product processing plants, one being constructed by Nestle-General Milk (Carnation brand) and the other by Indulac, a Dominican firm.

Several firms, including Delta Brush, Consolidated Cigar and Textiles International, Inc. have announced they intend to establish plants in the La Romana industrial (customs) free zone operated by Gulf and Western.

Comprehensive data are not yet available on total private sector investment. The Central Bank presently estimates that private foreign investment, including reinvestment by foreign firms already located in the country, was up by 34% in 1969, a trend that shows signs of continuing despite the uncertainties created by the presidential elections set for May 16, 1970.

Rising domestic revenues, together with current expenditure restraint, have generated significant increases in the current budget surplus. This surplus, estimated at about RD$55 million in 1969 and supplemented by a moderate amount of new borrowing from the Central Bank, was immediately put to work by the Government on a wide array of investment projects.

The largest portion of Government investment, about two-thirds, is going to construction projects supervised directly by the Office of the President. These include highways, farm to market roads, streets, road and canal reconstruction, new schools and clinics and low-cost public housing, The smaller portion is transferred to semi-autonomous agencies, mostly in support of capital expenditures for land reform, irrigation and water supply systems. As many of these projects are labor intensive, the Government's investment expenditures are providing employment and contributing to rising demand while enlarging the country's infrastructure.

## Another surplus anticipated

The Government's 1970 Budget Estimates appear to be somewhat more realistic than the 1969 Estimates (in which revenues from domestic resources were originally estimated at about RD$27 million less than actual 1969 revenues), but estimated domestic resources in 1970 again appear to be set too low. The large revenue increase of 1969 was due in part to much higher revenues from import taxes despite virtually no change in import tax rates and only a slight increase in the import level. In 1970, a large import rise is likely with perhaps some decline in the ratio of import tax collections to imports. It is, therefore, likely that another current budget surplus will be gen-



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erated which will be spent immediately in capital investments.

Amplifying the Government's efforts in the investment field in 1970 is the expenditure of pesos generated from U.S. assistance. Including AID financing that does not flow through the central government Treasury accounts, the level of peso expenditure from U.S. assistance is expected to remain at about RD$20 million.

Disbursements under Inter-American Development Bank loans are expected to rise to almost $12 million in 1970, the largest single share helping to finance the $34.5 million first stage cost of Tavera Dam project near Santiago de los Caballeros. Several new development loans are being considered by AID, the Inter-American Development Bank and the World Bank.

A more rapid rate of identification of new development programs and projects acceptable for financing provided by long-term assistance lenders and additional Government budget support for such programs and projects will be necessary if, in the future, the past level of such assistance is to be increased or even maintained.

Summing up identifiable trends in agriculture, business and investment, total gross domestic production in 1970 may not rise by as much as the 7.8% real increase of 1969 which was based largely on a recovery of agricultural production following several years of drought and an improvement in this country's terms of trade. Such gains cannot be expected every year. Total real GDP may rise by as much as 5% to 6% in 1970, however, on the strength of further agricultural production increases and very sharply rising private and public sector construction activity.

### Balance of payments improving

According to Central Bank data, the balance of payments in 1969 was $17 million in surplus (i.e. net international reserves, including arrears, improved by $17 million). This was a remarkable development after several years of deficit despite high levels of balance of payments support in the form of long-term foreign assistance loans. Exports are doing better mainly on rising prices for sugar, coffee and tobacco and continuation of a relatively good price for cacao. These commodities are the Dominican Republic's principal exports.

Imports affecting official exchange (i.e. those imports for which the Central Bank will convert importers payments) have leveled off. The pause in demand for official exchange for imports is attributable in part to increasing importation with privately held exchange, recovery in domestic production of foodstuffs and, perhaps, a drawdown of inventories of import goods built up in 1968. The small rise in total imports was financed by the increasing use of privately held exchange already noted, foreign credit, and rising private capital inflows.

The balance of payments outlook for 1970, insofar as it can be clearly seen, appears to be good. The Governor of the Central Bank has announced that the Bank hopes to reduce the level of arrears to $10-15 million by the end of 1970. Arrears at the beginning of February already had been reduced to $17 million. The conversion delay on collection document imports at that time was about five months. Much depends on the final size of the U.S. sugar quota and the movement of raw sugar prices in the U.S. market. Each tenth of a cent change in the average price for the year means about $1.4 million in Dominican export earnings.

### Signs point to more imports

Expansion of the economy last year, further expansion in 1970 and large investment projects now moving well all indicate that a significant import increase will occur in 1970. A sustained rate of development of 6% per year or more means imports must rise correspondingly. The total import level, including investment and project-related imports, is likely to exceed $250 million.

The monetary authorities are expected to continue to keep the net domestic credit of the Central Bank at about its present level, allowing for seasonal financing requirements. Their effort to restrain the expansion of commercial bank credit and money supply is not expected to hamper unduly further economic growth. Commercial bank deposits are rising almost 17% annually, fueling an expansion of bank loans at a 22% rate.

The growth of money supply slowed to only 4.7% at the end of 1969 as central government sight deposits rose. The average level of money supply in 1969, however, was 8.4% above the 1968 level. The build-up in government sight deposits is expected to be temporary and money supply probably will resume an annual growth rate close to the average rate of the recent past.

The import restraint system remains essentially unchanged since the beginning of 1969, when the number of items that must be imported under prepaid letters of credit was increased. The restraint system is designed mainly to limit purchases of luxury items among durable and nondurable consumer goods and to protect some manufactured goods that are now being produced domestically. The direct restraint system operates by the denial or rationing of official exchange (within the Dominican banking system) for listed imports.

Persons having their own foreign exchange, however, may import almost anything and such imports are being entered at a $16 million to $17 million annual rate. Unprocessed agricultural commodities may be imported only under a license that the importer must obtain from the Secretariat of Agriculture.

## EEC relaxes duties on iron and steel items until May 31

The Commission of the European Communities recently extended for an additional four months (Feb. 1 to May 31, 1970) its earlier suspension of the Common External Tariff for certain steel and iron products—ingots, rolled blooms and billets, slabs, sheet bars, and hot-rolled sheet in coils. The Commission also reduced until May 31, 1970 by approximately 50% the Common External Tariff for certain other steel and iron products; these include hot-rolled plate and sheet, wire rods, and certain reinforcing bars. The Commission hopes that this action will have some dampening effect on the continued rise in Community steel price levels.

Strong demand for steel products within the Common Market has resulted in almost a tripling of U.S. steel exports to the EEC—from January through November 1969, the United States exported $127 million of iron and steel products as compared with $43 million for the same period in 1968. At the same time, there was a marked decline in European iron and steel exports to the United States; American imports of these products from the EEC decreased from $628 million for the first eleven months of 1968 to $537 million for the same period in 1969.

The following list shows the Common External Tariff duty for the products affected, according to the Brussels Tariff Nomenclature (BTN), designation of products, and duty (if any) in percent ad valorem until May 31, 1970: 73.06-Puddled bars and pilings, ingots, blocks, lumps and similar forms (0); 73.07AI-Rolled blooms and billets (0); 73.07BI-Rolled slabs and sheet bars (including tinplate bars) (0); 73.08-Coils for the manufacture of sheets (0); 73.10AI-Wire rod, simply hot-rolled or extruded (4); ex 73.10AII-Solid bars, simply hot-rolled or extruded (3.5); 73.13BIa-Simply hot-rolled sheets and plates of a thickness of 3 mm or more other than electrical sheets and plates (4).

# German, British and Swiss manufacturers offer products to U.S. firms under licenses

**Products include exhaust control device, logic controller for pneumatic circuits, barrel stacker, joints, tower press and laboratory equipment**

Products offered by companies in Germany, the U.K. and Switzerland are: exhaust control device, logic control for pneumatic circuits, conveyor and lifting equipment, a construction system, water purification tower press, and laboratory measuring equipment.

For additional information and the name and address of the firm write the Office of International Investment, BIC-874, U.S. Department of Commerce, Washington, D.C. 20230, referring to the appropriate File number assigned each opportunity listed below.

- A German firm is offering a license for a U.S. patented control device for automobiles, reducing the carbon monoxide content of the exhaust by 95%.

The device, which is fitted between the carburetor and the inlet manifold, serves to let fresh air enter the manifold. This creates an atomization of the fuel-air mixture which results in almost complete burn of the fuel. The company claims that in addition to the reduction in carbon monoxide, there is a 20% reduction in fuel consumption without loss of power; there is less carbon deposit in the engine; and cold starting is improved. The device is compact, low-priced, easy to mass produce; fits any make of car. **File 1846**

- A pneumatic-magnetic system for logic control of pneumatic circuits is being offered by a German valve manufacturer. This system uses a device composed of moving parts, including a three-way diaphragm valve of high reliability, with a high response and operating speed and a long life as a result of restricted motion and a minimum of component parts. **File 1847**
- A British manufacturer of conveyors and lifting equipment is interested in having its high speed barrel and drum stacker and air conveyor produced under license in the U.S.

Primary users of this equipment are apparently breweries and oil and solvent companies.

The stacker is a vertical, electrically actuated mobile unit which can handle up to six barrels per minute. Its standard height is 10 feet 6 inches, and its lifting capacity 29 feet. (The capacity and size of the unit can be altered to suit individual orders.)

The basic operations of the stacker are: barrels are fed into it at ground level and come out at a higher level. It is fitted with automatic indexing and travel gear, and its enclosure cage maximizes safety. No special floor preparation is required, and maintenance is minimum.

A patent is pending on the horizontal air conveyor which consists of two metal runners to which are fixed tubes covered with a protective rubber. Compressed air is passed at a controlled rate through the tubes until it meets the barrels in its path. A wedge of air then builds up behind each barrel and causes each to roll forward. The cost of air supply and maintenance is reported minimal. **File 1848**

- A British manufacturer is seeking a U.S. licensee to produce its patented joint which is the key to its construction system.

This patented joint can be mass-produced. It is lower in cost, when compared to other proprietary joints, since no machining or on-site welding are necessary, and the erection of spans or structures is simplified because of the flexibility of the joint. There is also a saving in the cost of foundations when this joint is used because of the reduced weight of steel inherent in the system as opposed to traditional large span (two dimensional) steel structures. Transportation costs are kept to a minimum since members are easily bundled, handled and occupy a minimum amount of space. **File 1849**

- A Swiss manufacturer offers licenses to U.S. firms interested in manufacturing its tower press used in sewage and industrial waste sludge processing.

The tower press is instrumental in carrying out a unique pressurized filtering process for the continuous dehydration, filtration, and pressurization of raw and digested sludges at unprecedented low operating costs. **File 1850**

- A Swiss maker of laboratory equipment seeks a licensee to produce its line of pH recorders, meters, injection pumps, and test flask shakers. **File 1786-R**

## Swiss concern interested in acquiring know-how about magnetic films

Muller & Cie AG, a Swiss firm specializing in the production of tickets and punched cards used in the programming of textile machines seeks to expand its operation. It wants to manufacture magnetic cards and eventually tapes for electronic accounting machines and similar equipment. The company is mainly interested in licenses and technical know-how for applying magnetic films to cards and tapes, as it is already experienced in the punch card field. The Swiss firm is prepared to purchase the necessary production equipment from the U.S. licensor.

Founded in 1828, Muller & Cie AG holds a leading position in its field. The firm employs around 120 and has an excellent sales organization with 90 representatives in almost all of the industrialized countries.

**Write:** Muller & Cie. AG, Bahnhofstrasse 21, 8212 Neuhausen am Rheinfall, Switzerland, WTD. **P-70438.**

## Management contract sought for Lebanese hotel

A group of Lebanese businessmen is seeking a firm interested in a management contract for a new 400 room hotel now under construction in Beirut. The group known as the Societe Mediterranneene des Grands Hotels SAL is planning the venture as an investment of their insurance company, Union National. The estimated cost of the hotel is approximately $6 million.

**Write:** Charles Kettaneh, Mediterranneene des Grands Hotels SAL, Rue du Port, P.O. Box 242, Beirut, Lebanon. WTD. **P-70451.**

## Greece establishes State Drug Control Laboratory

The Greek Government has enacted legislation establishing a State Drug Control Laboratory. The avowed purpose of the Laboratory is to safeguard public health, contribute to the development of a sound domestic pharmaceutical industry, and promote scientific research and work in the field of pharmacology in general.

The Laboratory will operate as a legal entity under State supervision exercised by the Ministers of Social Services and Agriculture. The new entity is vested with



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authority to (a) exercise control over quality, potency, toxicity, and suitability of all domestic and imported pharmaceutical products, cosmetics, dietary preparations, etc.; (b) produce therapeutic serums, vaccines, and all kinds of general bacteriological products intended for the prevention and combat of infectious diseases; (c) inspect pharmaceutical plants and laboratories and act as an advisory body to the pharmaceutical industry; and (d) exercise control over all documentation pertaining to the importation and circulation of drugs and make recommendations to the appropriate ministries concerning approval, refusal, renewal or revocation of circulation licenses and the institution of necessary legislation covering the preparation and marketing of pharmaceutical products.

Certain functions of the Supreme Board of Hygiene and all functions of the Sanitary Laboratory of Athens are being transferred to the State Laboratory.

A full English-language translation of the first four articles of L.D. No. 411, which are believed to be of interest to American businessmen trading with Greece, and a summary of all other articles are available from the European Division, OIRE/BIC(888) U.S. Department of Commerce, Washington, D.C. 20230.

## Canadian rug, mat firm wants to increase line

A Canadian firm, now manufacturing braided rugs and hand woven mats, seeks a license or joint venture for other types of rugs that would complement its present lines. The company, established in 1939, has a 12,000 square foot plant with modern jet tables, dying equipment, braiding machines and hand looms. It maintains sales outlets throughout Canada.

**Write:** Niagara Rug Co. Ltd., 580 Victoria Ave., P.O. Box 443, Niagara Falls, Ontario, Canada. WTD. **P-70452.**

## Bandage production is goal of Tunisian establishment

A Tunisian import-export company is seeking technical and financial collaboration with an American firm for the establishment of a plant to produce absorbent cotton and gauze bandages for the Tunisian market. Machinery and know-how are especially desired for this venture.

**Write:** Guigoz-Tunisie S.A., 8, Passage de la Monnaie, Tunisia. WTD. **P-70133.**

# Eximbank authorizes loans for Colombian, Japanese projects

The Export-Import Bank of the United States has announced the authorization of two loans totaling more than $1 million to borrowers in Japan and Colombia.

A loan for $800,000 in favor of Ube Ammonia Industry Co., Ltd. of Japan will be used to finance one-half of U.S. costs of equipment and services required in constructing an ammonia plant in Ube City, Yamaguchi Prefecture. The other $800,000 of U.S. costs will be financed by Manufacturers Hanover Trust Company of New York. Additional financing will be raised through a consortium of Japanese banks headed by The Industrial Bank of Japan.

M. W. Kellogg Co., a division of Pullman Inc., will design the plant and supply some of the equipment.

Ube Ammonia Industry will manufacture ammonia requirements of its parent companies, Ube Industries, Ltd., Kyowa Chemicals Company, and Central Glass Company, Ltd. The plant is designed to have a capacity of 1,250 tons per day and its estimated completion date is April 1971.

Eximbank's $800,000 loan is to be repaid in six semiannual installments beginning in August 1974, with interest on outstanding balances at an annual rate of 6%. It is to be guaranteed by The Industrial Bank of Japan.

A loan for $250,000 in favor of Pro-Hoteles, S. A. of Cali, Colombia, a newly formed company, will help finance one-half of U.S. costs of equipment, machinery and services required for constructing and equipping a seven-story, 255-room hotel at Cali. Another $250,000 for U.S. goods will be provided by two private Colombian financial institutions. Total cost of the project is estimated at some $4.2 million. Additional financing will come from International Finance Corporation and private Colombian sources.

The new hotel will be managed by Inter-Continental Hotels Corp. Items to be purchased from the United States include air conditioning equipment, copper piping, elevators, electric power plant, telephones, swimming pool equipment and laundry and kitchen utilities.

Eximbank's loan is to be guaranteed by Instituto de Fomento Industrial and will be repaid in six semiannual installments beginning in November 1975, with an annual interest rate of 6% on outstanding balances.

### Investment Assistance

To receive follow up assistance and general information about investment abroad telephone: 202-967-3786 or write: Office of International Investment, Department of Commerce (BIC-878), Washington, D.C. 20230. "P" numbers should be used when writing about specific proposals.

WTD indicates that a World Trade Directory Report containing financial and business background information on the foreign firm is available for $2 from the Department of Commerce (BIC-924), Washington D.C. 20230 or the nearest Department of Commerce Field Office.

The licensing and joint-venture proposals listed in this section are published as an informational service for U.S. firms interested in overseas affiliations. Companies responding to these opportunities should be cognizant of the present mandatory investment regulations administered by the Office of Foreign Direct Investments, U.S. Department of Commerce, Washington, D.C. 20230.

## U.K. affiliate of U.S. firm seeks to expand, diversify

A U.K. subsidiary of an American firm seeks to diversify and expand. The concern's major activity consists of supplying packaging materials, raw materials and additives to the food industry. It is interested in the manufacture and distribution of products in growth areas, preferably allied to its business. The company will consider either a joint venture agreement or a licensing arrangement on items of interest.

A sales force, distribution facilities, financing, production capacity and research and development capabilities are available.

**Write:** W. D. Berger, Oppenheimer Casing Co., 1020 W. 36th St., Chicago, Ill. 60609. **P-70449.**

# NATO will request bids on construction services

The Federal Republic of Germany intends to advertise for international competitive bidding for the supplies and/or services to be furnished within the framework of the commonly financed NATO Infrastructure program, Tender No. 68-25-43-21(132), for approximate amounts of the following: 50,000 c.m. excavations; 4,500 sq. m. concrete areas; 18,500 sq. m. roads with bituminous surface; 2,200 sq. m. one-story buildings; 400 lin. m. water mains; 700 lin. m. sewer lines and ditches; 4,000 lin. m. cable trenches; 3,000 lin. m. fencing; and 1,200 c. m. demolition work (brick work).

Although plans call for invitation of tenders and awarding of contracts, the tender call may provide for a subdivision.

Bids will probably have to be submitted by July 20. Firms desiring to participate will be required to complete a questionnaire (application form) and submit it, in one copy, not later than May 25. Application forms are available from the Construction and Building Materials Div., BDSA-645, Room 4813, U.S. Department of Commerce, Washington, D.C. ★(202-967-3602), and the Commerce Field Office, 11444 Federal Bldg., 450 Golden Gate Ave., San Francisco, Calif. (415-556-5868).

These forms are to be sent to the Bundesamt fur gewerbliche Wirtschaft, 6 Frankfurt-Main, Bockenheimer Landstr. 38, Postfach 3931.

The fee for the tender documents (100 DM) should be enclosed with the application. When making such payment, please state: SUBJECT: NATO Infrastructure, International Competitive Bidding. The costs of the tender documents will not be refunded except where the forwarding of the tender documents is delayed by more than three months. Documents will be forwarded to the applicants probably on or after June 1.

Only U.S. firms certified by the U.S. Department of Commerce are eligible to bid on NATO projects. Interested U.S. firms may contact the International Liaison & Trade Opportunities Staff, BDSA-541, U.S. Department of Commerce, Washington, D.C. 20230.

The documents will be sent by Finanzbauamt Monchengladbach, 11 Wallstrasse 30/32, in 405 Monchengladbach, who has jurisdiction over the project.

## Malaysia seeks bids on supply of portable microwave devices

The Director General, Telecommunications Headquarters, has issued a tender for the supply of portable 7 Ghz television/telephony equipment. The bid deadline is April 16.

Tenders must be accompanied by a banker's guarantee for M$10,000 as earnest money. The value of the tender is estimated at M$300,000.

Copies of the tender announcements and specifications are available from the Director-General, Telecommunications Headquarters Jalan Bukit Nanas, Kuala Lumpur at cost of M$25.00 or on a short-term loan basis to firms located in the U.S. from the Communications-Electronics Division, BDSA-643, Room 4209, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-4823).

The firms and individuals in the following lists are interested in trade relations with U.S. businessmen. The commodities in which they have expressed interest are indicated by the numbers preceding the commodity classification. The three-digit numbers and commodity classifications are from the Standard Industrial Classification (SIC) Manual. The five-digit numbers under each heading are from the Numerical List of Manufactured Products, 1967 Census of Manufacturers, Bureau of the Census and are used extensively by government and industry in classifying products.

U.S. firms should also be aware that the listing in INTERNATIONAL COMMERCE of opportunities to trade in specific commodities and technical data does not necessarily imply approval of their export by the U.S. Department of Commerce pursuant to the U.S. Export Control Act. For applicable export licensing regulations and policies, see the *Department of Commerce Export Control Regulations* or consult the Bureau of International Commerce's Office of Export Control or any Department of Commerce Field Office.

NOTE: The SIC Manual is available for $4.50; The Numerical List of Manufactured Products (MC67-1) for $1.75 and the Export Control Regulations are priced at $12 a year. These publications may be ordered from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402, or any of the 42 Department of Commerce Field Offices throughout the United States.

*Every effort is made to include only firms or individuals with good reputations. However, the Department of Commerce cannot be responsible for any trade relations.*

● indicates that the trade opportunity represents a request for bids by a foreign government agency. A (★) following indicates that additional information may be borrowed by firms located in the U.S. from the Business and Defense Services Administration (BDSA), U.S. Department of Commerce, Washington, D.C. 20230; telephone numbers indicated. To avoid delay, requests for loan material should specify country and commodity.

★★ indicates opportunities obtained by U.S. trade missions to other countries. A (★) following these indicates that additional information may be obtained by writing the International Liaison and Trade Opportunities Staff, BDSA-541, U.S. Department of Commerce, Washington, D.C. 20230. The TM (trade mission) number is requested in correspondence. Requests for loan material should specify country and TM number.

**WTD** indicates that a World Trade Directory report is available on the foreign firm for which the trade opportunity is listed. These reports, indicating type of organization, sales territory, size of business, sales volume, trade and financial reputation, and other factors, are available for $2 each from the Bureau of International Commerce, BIC-924, U.S. Department of Commerce, Rm. 6059. Telephone: 202-967-4203. The date following the letters WTD refers to the date of issuance of the report. If WTD is in preparation, action will be completed on a priority basis upon receipt of request specifically identifying the trade opportunity involved.

# Agencies

*Specific foreign firms have expressed interest in agency agreements for the products listed below. Exclusive agencies for these products are wanted only if specified.*

### 012 Fruit, tree nut, vegetable farms

**01230—SWITZERLAND**—Fresh vegetables such as tomatoes, melons, similar products. Stoller & Schmid; Attn: Mr. Schmid (distributor), Sudfruchtehandel, Heiligkreuzstrasse 40, 9000 St. Gallen. WTD in preparation.

### 111 Anthracite

**11110—NORWAY**—Anthracite, size: 6/12-mm or 5/10mm (60,000 tons yearly in 3,000/5,000 tons cargoes). Carbon Transport A/S (importer, agent), Prinsensgate 5, Oslo 1. WTD 2/70.

### 121 Bituminous coal, lignite mining

**12110—NORWAY**—High volatile coal: size ¼" x ¾" or 0 x ½" (cargoes of 3,000 tons and upwards). Analysis: moisture 11%; ash 4% dry basis; volatile 34% dry basis; fixed carbon 62% dry basis; Ph 0.008%. Carbon Transport A/S (importer, agent), Prinsensgate 5, Oslo 1. WTD 2/70.

### 203 Canning, preserving foods

**20310—PANAMA**—Canned tunafish, one lb. cans. La Bizkayna, S.A. (importer, distributor, agent), P.O. 4164, Panama 5. WTD 2/70.



XUM

### 223 Broad woven fabric mills, wool

**22312 — NETHERLANDS** — Printed wool fabrics and piecegoods for wearing apparel industry. Exclusive agencies requested for Netherlands on 5% commission basis. Gebr. Lissauer, Attn: J. S. Lissauer (importer, agent), Weesperzijde 80 hs., P.O. Box 4175, Amsterdam. WTD 2/70.

### 226 Dyeing, finishing textiles

**22617—NETHERLANDS** — Printed cotton fabrics, bonded piecegoods for wearing apparel industry. Exclusive agencies requested for Netherlands, on 5% commission basis. Gebr. Lissauer, Attn: J. S. Lissauer (importer, agent), Weesperzijde 80 hs., P.O. Box 4175, Amsterdam. WTD 2/70.

**22628—NETHERLANDS**—Printed fabrics of synthetic fibers for wearing apparel industry. Exclusive agencies requested for Netherlands, on 5% commission basis. Gebr. Lissauer, Attn: J. S. Lissauer (importer, agent), Weesperzijde 80 hs., P.O. Box 4175, Amsterdam. WTD 2/70.

### 289 Chemical products

**28993—GUATEMALA**—Brake fluid, hydraulic. Repuestos Bucaro (importer, distributor, retailer), 6a. Avenida 33-53, Zona 3, Guatemala City. WTD 1/70.

### 307 Plastic products

**30790—SWEDEN**—Sterile plastics for laboratory and scientific use. Instrumentfirma Labora AB (importer, distributor, agent), 110 Birger Jarlsgatan, S-114 20 Stockholm. WTD 2/70.

### 323 Glass products

**32316—SWEDEN**—Laboratory and scientific glass. Instrumentfirma Labora AB (importer, distributor, agent), 110 Birger Jarlsgatan, S-114 20 Stockholm. WTD 2/70.

### 327 Concrete, gypsum, plaster products

**32720—HONG KONG**—Building and construction materials, such as water proofing materials. Precast Products, Ltd. (importer, manufacturer, agent, exporter) Universal House 14/F, 149 Des Voeux Rd. C. Cable: PRECAST. WTD 4/69.

### 331 Steel mill products

**33120—NORWAY**—Coke: size: 0 x ¾" (substantial quantities); size ¼" x ¾" (high reactivity, 300,000/500,000 tons yearly in lots of 3,000 tons and upwards); size: 1" x 2" (100.-000 tons yearly). Carbon Transport A/S (importer, agent), Prinsensgate 5, Oslo 1, Norway. WTD 2/70.

### 342 Cutlery, hand tools, general hardware

**34290—HONG KONG**—Building and construction hardwares. Precast Products Ltd. (importer, manufacturer, agent, exporter), Universal House, 14/F, 149 Des Voeux Rd. C. Cable: PRECAST. WTD 4/69.

### 343 Heating apparatus, plumbing fixtures

**34320—AUSTRIA**—Lawn sprinklers for municipal gardens, parks. Alpen Sport (importer, distributor, agent, repair service), A-9622 Weissbriach. WTD 2/70.

### 352 Farm machinery

**35227—AUSTRIA**—Lawn mowers (sicklebar), Alpen Sport (importer, distributor, agent, repair service), A-9622 Weissbriach. WTD 2/70.

**35228—GUATEMALA**—Equipment for cattle and poultry operations: cattle feeding, handling and watering equipment; poultry incubators, brooders, feeders, waterers and egg-handling equipment. Ricardo Munguia C. (agent), 6a. Avenida 1-89, Zona 4, Guatemala City. WTD 1/70.

### 353 Construction, mining, materials handling machinery, equipment

**35310—PAKISTAN** — Construction machinery: 150 dump trucks, 5 tons capacity; 40 front-end loaders, 2 cu. yds. capacity; 40 water tankers, 2,000 gals. capacity. Engineering Equipment Ltd. (agent, manufacturers' representative), 90-B Gulberg II, Lahore, West Pakistan. (Cable: EQUIPAGE, Lahore). WTD 8/69.

**35351—HONG KONG**—Conveyors and system. Precast Products Ltd. (importer, manufacturer, agent, exporter, Universal House, 14/F, 149 Des Voeux Rd. C. Cable: PRECAST. WTD 4/69.

**35370—ISRAEL**—Aircraft loaders, cargo platforms, hoists, related equipment for handling luggage, freight, fluids, garbage, etc., to and from jet aircraft at airport. Exclusive agency, Israbel Ltd. (importer, distributor, agent), Citrus House, P.O. Box 577, Tel Aviv. WTD in preparation.

### 354 Metalworking machinery

**35482—ISRAEL**—Pneumatic-powered handtools for automotive services, industrial applications. Exclusive agency. Etzer Ltd. (importer, distributor, agent), 26 Tchlenov St., Tel Aviv. WTD in preparation.

### 355 Special industry machinery

**35513 — INDIA** — Tea manufacturing and processing equipment; instant tea processing equipment; vending machines. Technical information and/or research and develpoment of new processes for tea manufacturing requested. Tea Manufacturing & Marketing Consultants. (agent, consultants), 4 Lord Sinha Rd., Calcutta 16. WTD in preparation.

### 359 Machinery

**35990—GUATEMALA**—Carburetors, pistons and other machine shop products; carburetors for all models; air and oil filters; hose flexible, metallic; valves, pistons and piston rings; tubing, flexible metallic. Repuestos Bucaro (importer, distributor, retailer), 6a. Avenida 33-53, Zona 3, Guatemala City. WTD 1/70.

### 361 Electric transmission, distribution equipment

**36111—SWEDEN**—Testing equipment for integrated circuits. AB Stromkrets (importer, manufacturer, agent), 2030 Box, S-125 02 Alvsjo 2. WTD in preparation.

### 362 Electrical industrial apparatus

**36220—SWEDEN**—Industrial controls. AB Stromkrets (importer, manufacturer, agent), 2050 Box, S-125 02 Alvsjo 2. WTD in preparation.

### 363 Household appliances

**36310—SPAIN**—Household cooking equipment. Ribos Canarias (agent), Apartado Postal No. 870, Las Palmas de Gran Canaria. WTD 1/70.

**36320 — SPAIN** — Household refrigerators, freezers. Ribos Canarias (agent), Apartado Postal No. 870, Las Palmas de Gran Canaria. WTD 1/70.

**36330—SPAIN**—Household laundry equipment. Ribos Canarias (agent), Apartado Postal No. 870, Las Palmas de Gran Canaria. WTD 1/70.

**36340 — SPAIN** — Electric housewares and fans. Ribos Canarias (agent), Apartado Postal No. 870, Las Palmas de Gran Canaria. WTD 1/70.

**36350—SPAIN**—Household vacuum cleaners. Ribos Canarias (agent), Apartado Postal No. 870, Las Palmas de Gran Canaria. WTD 1/70.

### 366 Communication equipment

**36624—SWEDEN** — Electronic navigational aids for pleasure boats. AB Stromkrets (importer, manufacturer, agent), 2050 Box, S-125 02 Alvsjo 2. WTD in preparation.

**36625—SWEDEN**—Security devices, such as laser IR beams and detectors, UHF movement-intruder detectors, acoustical detector systems for safes, vaults, other type of premises. Alarm AB, Signaltjanst (importer, manufacturer, agent), 11 Scheelegatan, S-112 28 Stockholm. WTD in preparation.

**36626 — SPAIN** — Teaching aids, especially audio-visual equipment. Mr. Antonio Morales (agent), Desengano, 12, Madrid (13). WTD 1/70.

### 367 Electronic components, accessories

**36740—SWITZERLAND** — Semiconductors such as transistors, rectifiers, similar products for industrial application. Digitana AG; Attn: Mr. Haab (distributor, agent), Gertrudstrasse 24, 8003 Zurich. WTD in preparation.

**36790—SWITZERLAND** — Electronic components such as amplifiers, capacitors, filters, resistors, related accessories especially for electronic research and clinical apparatus. Digitana AG; Attn: Mr. Haab (distributor, agent), Gertrudstrasse 24, 8003 Zurich. WTD in preparation.

### 369 Electrical machinery, equipment, supplies

**36944 — GUATEMALA** — Spark plugs and ignition equipment for internal combustion engines. Repuestos Bucaro (importer, distributor, retailer), 6a. Avenida 33-53, Zona 3, Guatemala City. WTD 1/70.

### 371 Motor vehicles, motor vehicle equipment

**37130—AUSTRIA**—Street sprinklers, washers and sweepers; snow plows and other snow clearing vehicles; street de-icing, sanding and other road maintenance vehicles; ambulances, fire department and other utility vehicles used

by municipal administrations. Alpen Sport (importer, distributor, agent, repair service), A-9622 Weissbriach. WTD 2/70.

**37141—GUATEMALA**—Motor vehicle parts, accessories. Repuestos Bucaro (importer, distributor, retailer), 6a. Avenida 33-53, Zona 3, Guatemala City. WTD 1/70.

### 372 Aircraft, parts

**37212—SWEDEN**—Complete aircraft, personal and utility type. SVENSK Flygtjanst AB, SWEDAIR Ltd. (importer, agent, air service operator), 14031 Box, S-104 40 Stockholm. WTD 2/70.

**37291 — SWEDEN** — Aircraft parts, accessories. SVENSK Flygtjanst AB, SWEDAIR Ltd. (importer, agent, air service operator), 14031 Box, S-104 40 Stockholm. WTD 2/70.

### 381 Engineering, laboratory, scientific, research instruments

**38110—SWITZERLAND** — Research instruments and analytical instruments for clinical and chemical laboratories. Digitana AG; Attn: Mr. Haab (distributor, agent), Gertrudstrasse 24, 8003 Zurich. WTD. in preparation.

**38111 — SWEDEN** — Aeronautical, nautical, and navigational instruments, and automatic pilots, Svensk Flygtjanst AB, SWEDAIR Ltd. (importer, agent, air service operator), 14031 Box, S-104 40 Stockholm. WTD 2/70.

**38112 — AUSTRIA** — Apparatus, equipment and auxiliary materials for laboratories of any kind and size. TRANSMEDIMPEX GmbH (importer, distributor, agent, exporter), P.O.B. 113, A-1181 Vienna. WTD 2/70.

**38112—SWEDEN**—Laboratory and scientific instruments. Instrumentfirma Labora AB (importer, distributor, agent), 110 Birger Jarlsgatan, S-114 20 Stockholm. WTD 2/70.

### 382 Instruments for measuring, controlling, indicating physical characteristics

**38210—ENGLAND**—Air gauging and pneumatic gauging equipment. Headland Gauges Ltd. (manufacturer, agent, exporter), 22 High St., Great Bookham, Surrey. WTD in preparation.

### 383 Optical instruments, lenses

**38311—SWEDEN**—Perimeters and other similar devices to be used for security control, protection systems. Alarm AB, Signaltjanst (importer, manufacturer, agent), 11 Scheelegatan, S-112 28 Stockholm. WTD in preparation.

### 399 Manufacturing industries

**39930 — SWEDEN** — Nonelectric signs and advertising displays; advertising specialties. AB Industry-Reklam (importer, distributor, manufacturer), 38 Box, S-140 21 Fittja. WTD in preparation.

**39993—GERMANY**—Electric massage and therapy apparatus designed for beautician specialists, beauty shops. Deutsche Nemectron GmbH (distributor, manufacturer), 75 Karlsruhe, Durlacher Allee 45-47. WTD 2/70.

# Direct Sales

*Specific foreign firms have expressed interest in direct purchases of the products below. See also the "Agencies" listing.*

### 011 Commercial firms

**01130—NETHERLANDS**—Dried peas and beans. Direct purchase, and agency, or license packaging arrangement. Erven G. van Sillevoldt N.V. (Attn: Mr. M. Borneman) (importer, distributor, exporter, manufacturer, processor), 49-57 Honingerdijk, or P.O. Box 4061, Rotterdam-16. WTD 3/69.

### 012 Fruit, tree nut, vegetable farms

**01220 — SWITZERLAND** — All kinds of fresh fruit such as grapefruits, strawberries, lemons etc. Stoller & Schmid; Attn: Mr. Schmid (distributor), Sudfruchtehandel, Heiligkreuzstrasse 40, 9000 St. Gallen. WTD in preparation.

### 109 Miscellaneous metal ores

**10990—PAKISTAN**—Antimony for use in manufacture of lead acid storage batteries. Grand Batteries (Pakistan), Ltd. (formerly G. C. Goodwill & Co., Ltd.) (importer), Industrial Estate, Multan Road, Lahore, West Pakistan. Cable: GOODGRAND, Lahore. WTD in preparation.

### 203 Canning, preserving foods

**20320 — NETHERLANDS** — All kinds of packaged food products, such as snacks and similar items for supermarkets, grocery stores, etc. Not interested in deep frozen food, and meat and fish products. Direct purchase and agency, or license packaging arrangement. Erven G. van Sillevoldt N.V. (Attn: Mr. M. Borneman) (importer, distributor, exporter, manufacturer/processor), 49-57 Honingerdijk, or P.O. Box 4061, Rotterdam-16. WTD 3/69.

### 209 Food preparations

**20990—NETHERLANDS** — Specialty packaged food products, such as snacks and similar items for supermarkets, grocery stores, etc. Not interested in deep frozen foods, meat and fish products. Direct purchase and agency, or license packaging arrangement. Erven G. van Sillevoldt N.V.(Attn: Mr. M. Borneman) (importer, distributor/exporter, manufacturer/processor), 49-57 Honingerdijk, or P.O. Box 4061, Rotterdam-16. WTD 3/69.

### 273 Books

**27313 — GERMANY** — Scientific books and journals in all European languages. Requests price quotations c.i.f. European or f.o.b. American ports. W. E. Saarbach GmbH., Auslands-Zeitungshandel (importer, distributor, retailer, exporter), 5 Koeln 1, Postfach 10 16 10. WTD 2/70.

### 281 Industrial chemicals

● **28100—INDONESIA**—Ammonium sulfate 21% N. minimum, 7,753 M.T.; natural phosphate 25% $P_2O_5$ on dry matter 6,868 M.T.; muriated potash (KCL) 60% $K_2O$, 5,148 M.T.; and mineral magnesium sulfate (Kieserite) 20-26% MGO 1,545 M.T. Bids required to indicate prices in U.S. dollars which must be broken down as follows, (1) Net f.o.b. Port of "AZIT" per complete unit, (2) Net f.o.b. Port of "DZIT," total for the specific quantity of each item, (3) estimated total ocean freight, up to BELAWAN for the entire quantity of each item, and (4) estimated overall C&F Belawan. Tender No. 926/DIM/70; bid deadline Mar. 25. Ministry of Trade, Republic of Indonesia, DJALAN ABDUL MUIS, DJAKARTA, in a sealed envelope, marked in capital letters in lower left hand corner INVITATION F. Chemicals Division, BDSA-665, U.S. Department of Commerce, Washington, D.C. 20230, (202-967-3465). Tender with specifications enroute from Indonesia to Chemicals Division, arrival date unknown. A copy for review will also be sent on receipt in Washington to the Department of Commerce Field Office, 11444 Federal Bldg., 450 Golden Gate Ave., San Francisco, Calif. 94102 (415-556-5868).

**28183 — GERMANY** — Synthetic organic chemical solvents. Direct purchase and agency. Erich Ruehl (importer, distributor, agent), 6382 Friedrichsdorf/Ts., Hauptstr. 105. WTD 2/70.

### 311 Leather tanning, finishing

**31110—POLAND**—Semi-finished leather, artificial leather, lining materials, and synthetic rubber for use in production of footware, leather goods. Jerzy Szaniawski, Economic Dir., SKORIMPEX (importer), 22 Lipca 74, Lodz.

### 335 Rolling, drawing, extruding of nonferrous metals

● **33500—ARGENTINA**—Supply of various quantities and gauges of PVC insulated cable. Tender No. 3025, bid deadline Apr. 6. Contact Segba, Balcarce 184, "Compras Exteriores," Buenos Aires.

● **33500—NEW ZEALAND**—Supply, delivery, jointing on site, testing and commissioning of 220, 110 and 33 kv. cables. New Plymouth Power Station. Tender No. 541; bid deadline Apr. 14. Contact Secretary, Tenders Committee, New Zealand and Electricity Department, P.O. Box 12144, Wellington North, New Zealand. Copies of tender available on a loan basis from the Copper Division, BDSA, Washington, D.C. 20230 ★(202-967-3883).

### 349 Fabricated metal products

**34941—FRANCE**—Automatic control valves for liquids: high pressure ball valves, diameter 1¼", 1½", 2", 3", 4", 200/250 kg/cm2 pressure for gas and liquids; high pressure magnetic valves for liquids; high pressure security valves for liquid gas, 200 kg/cm2 pressure; cryogenic pressure regulator for liquid gas, 200 kg/cm2 pressure. Societe de Diffusion d'Equipements Electroniques—S.D.E.E. (importer, distributor), 6 Rue Louis Pasteur, 92- Boulogne Billancourt. WTD 9/69.

### 352 Farm machinery

● **35200—IVORY COAST**—Supply of: Lot 7—4 wheeled tractors, 40/45 H.P. with trailer; Lot. 8—2 wheeled tractors, 55/65 H.P. with trailer; Lot 10—1 disk pulverizer; Lot 11—4 gyrogrinders. Tender No. Palm 27; bid deadline Mar. 27. Palmivoire, B.P. 2049, Abidjan. Additional information in French may be obtained from the General Industrial Equipment Division, BDSA-647, U.S. Department of Commerce, Washington, D.C. 20230 ★(Telephone 202-967-5585).

**35221 — AFGHANISTAN** — Farm tractors from 6 to 25 HP capacity. Requests quotations c.i.f. Karachi with insurance to Kabul. Saaed Industrial Co., Ltd. (importer, distributor, processor), P.O. Box No. 303, Kabul. WTD in preparation.



XUM

**35227—SPAIN**—Lawnmowers (all types), including attachments. Pueliva, S.A. (importer, distributor, retailer), General Mola, 118, Madrid (16). WTD 2/70.

**35228—SPAIN**—Garden tractors and motor tillers, including parts, attachments. Pueliva, S.A. (importer, distributor, retailer), General Mola, 118, Madrid (16). WTD 2/70.

## 353 Construction, mining, materials handling machinery, equipment

● **35300—IRAN**—Two crawler cranes, diesel powered, 5-ton lift capacity, variety of spare parts; two rail mounted cranes, 10-ton lift capacity, variety of spare parts. Tender No. 1850 &1892/48; bid deadline Apr. 14. Iranian State Railways, Tehran. Specifications are available on a loan basis from the General Industrial Equipment Division, BDSA-647, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-5585).

**35319—MEXICO**—Machine crusher-pulverizer for crushing limestone in mixed limestone/organic soil areas so that a few inches of soil can be created on a limestone base. Julian Carrillo Ancona (engineer, agricultural advisor to state government), Calle 23 No. 129A, Col. Mexico, Merida. Copies of correspondence should be sent to the U.S. Consulate, Calle 56A No. 453, Merida, Yucatan.

## 354 Metalworking machinery

**35451—ITALY**—Small cutting tools for machine tools and metalworking machinery. SEF Meccanotecnica (importer, distributor, agent), 8 Via G. Ercolani, I 40122—Bologna. WTD 2/70.

**35452—ITALY**—Machinists precision measuring tools. Interested only in technically advanced new products. SEF Meccanotecnica (importer, distributor, agent), 8 Via G. Ercolani, I 40122—Bologna. WTD 2/70.

**35453—ITALY**—Attachments and accessories for machine tools and metalworking machinery. Interested only in technically advanced new products. SEF Meccanotecnica (importer, distributor, agent), 8 Via G. Ercolani, I 40122—Bologna. WTD 2/70.

## 355 Special industry machinery

**35512—HONDURAS**—Coffee roasting and grinding machine. Wishes to receive quotations for machinery to freeze-dry coffee, other food products. EXCAHO (Exportadora de Cafe de Honduras, S.A.) (manufacturer, exporter), San Pedro Sula, Cortes. WTD in preparation.

**35531—TURKEY**—Machinery required for establishment of factory for manufacture of wood chip board utilizing forest waste and waste from lumber factories, with daily capacity of 100 m³. Duzce Elyafli Levhalar Sanayi ve Ticaret A.S. (manufacturer), Kizilay Pasaji No. 111, Duzce. WTD in preparation.

**35595—AFGHANISTAN**—Complete skin pickling and tanning plant for processing 5000 sheep and goat skins per day. Requests quotations c.i.f. Karachi with insurance to Kabul. Saaed Industrial Co., Ltd. (importer, distributor, processor), P.O. Box No. 303, Kabul. WTD in preparation.

## 356 General industrial machinery

**35613—AFGHANISTAN**—Deep well water pumps for irrigation. Requests quotations c.i.f. Karachi with insurance to Kabul. Saaed Industrial Co., Ltd. (importer, distributor, processor), P.O. Box No. 303, Kabul. WTD in preparation.

## 361 Electric transmission, distribution equipment

● **36100—TURKEY**—Supply of 30 sets of measuring instruments, ammeters, voltmeters, etc.; 10 sets oscilloscopes, tube testers, frequency counters, etc.; also 25 sets electric laboratory apparatus, dynamos, motors, motor-generator sets. Bid deadline Mar. 31. Invited by Ministry of National Education, General Directorate Professional Technical Education, Ankara, Turkey. Specifications available in English, at $3.50 per copy airmail, from Modern Translation Bureau, Karanfil Sokak 49/2, Yenisehir, Ankara, Turkey.

## 364 Electric lighting, wiring equipment

**36430—GERMANY**—Electric high-frequency connectors and plugs. Direct purchase and agency. Assmy & Boettger (importer, distributor, agent), 38-40 Admiralstrasse, 28 Bremen 1. WTD 2/70.

## 367 Electronic components, accessories

**36740—GERMANY**—Electronic components, semiconductors, transistors, diodes. Direct purchase and agency. Assmy & Boettger (importer, distributor, agent), 38-40 Admiralstrasse, 28 Bremen 1. WTD 2/70.

**36790—POLAND**—Ferrit U-cores; yoke rings; ring cores for loud speakers; aerial rods; memory cores; pot cores with mounting parts. METALEXPORT (Ref.: B-621) (importer), Mokotowska 49, Warsaw.

## 369 Electrical machinery, equipment, supplies

**36941—SOUTH AFRICA**—Ignition harness and cable sets, automotive type. Direct purchase and agency. Consolidated Auto Co. (Pty.) Ltd. (importer, distributor), 440 Main St., P.O. Box 915, Port Elizabeth, C.P. WTD 12/69.

**36941—SOUTH AFRICA**—Ignition harness and cable sets, automotive type. Buffalo Motor Spares (Pty.) Ltd. (importer, distributor), 65-67 Buffalo St., P.O. Box 106, East London, C.P. WTD 11/69.

**36942—SOUTH AFRICA**—Battery charging generators, including alternators, for passenger cars and trucks; regulators for battery charging generators. Buffalo Motor Spares (Pty.) Ltd. (importer, distributor), 65-67 Buffalo St., P.O. Box 106, East London, C.P. WTD 11/69.

**36942—SOUTH AFRICA**—Battery charging generators, including alternators for passenger cars and trucks; regulators for battery charging generators. Direct purchase and agency. Consolidated Auto Co. (Pty.) Ltd. (importer, distributor), 440 Main St., P.O. Box 915, Port Elizabeth, C.P. WTD 12/69.

**36944—SOUTH AFRICA**—Spark plugs, automotive type. Buffalo Motor Spares (Pty.) Ltd. (importer, distributor), 65-67 Buffalo St., P.O. Box 106, East London, C.P. WTD 11/69.

**36944—SOUTH AFRICA**—Spark plugs, automotive type. Direct purchase and agency. Consolidated Auto Co. (Pty.) Ltd. (importer, distributor), 440 Main St., P.O. Box 915, Port Elizabeth, C.P. WTD 12/69.

**36945—SOUTH AFRICA**—Ignition coils, other ignition equipment for passenger cars and trucks; automotive vehicles switches: starting, lighting, ignition, etc. Buffalo Motor Spares (Pty.) Ltd. (importer, distributor), 65-67 Buffalo St., P.O. Box 106, East London, C.P. WTD 11/69.

**36945—SOUTH AFRICA**—Ignition coils, other ignition equipment for passenger cars and trucks; automotive vehicles switches; starting, lighting, ignition, etc. Direct purchase and agency. Consolidated Auto Co. (Pty.) Ltd. (importer, distributor), 440 Main St., P.O. Box 915, Port Elizabeth, C.P. WTD 12/69.

**36946—SOUTH AFRICA**—Components, parts for engine electrical equipment. Buffalo Motor Spares (Pty.) Ltd. (importer, distributor), 65-67 Buffalo St., P.O. Box 106, East London, C.P. WTD 11/69.

**36946—SOUTH AFRICA**—Components, parts for engine electrical equipment. Direct purchase and agency. Consolidated Auto Co. (Pty.) Ltd. (importer, distributor), 440 Main St., P.O. Box 915, Port Elizabeth, C.P. WTD 12/69.

## 382 Instruments for measuring, controlling, indicating physical characteristics

● **38200—NEW ZEALAND**—Supply of one portable sound level meter suitable for hand use, with carrying case; one portable sound level calibrator complete with case, suitable for field use; portable vibration pick-up, complete with operating control box and permanent magnet clamp. Meter to have vibration range of 2 c/s to 2000 c/s. Tender No. FSQ 7335; bid deadline Mar. 23. Invited by Stores Manager, New Zealand Forest Service, Private Bag, Wellington, New Zealand. Terms and specifications available on loan basis from the Scientific and Business Equipment Division, BDSA-653, U.S. Department of Commerce, Washington, D.C. 20230. ★(202-967-2939). A review copy will also be available at the Department of Commerce Field Office, 11444 Federal Bldg., 450 Golden Gate Ave., San Francisco, Calif. 94102 (415-556-5868).

**38213—ITALY**—Measuring and controlling instruments used by machinists. Interested only in technically advanced new products. SEF Meccanotecnica (importer, distributor, agent), 8 Via G. Ercolani, I 40122—Bologna. WTD 2/70.

## 384 Surgical, medical, dental instruments

● **38400—PAKISTAN**—Supply of 54 items in various quantities of hospital instruments and supplies including syringes, tuning forks, politzer bags, probes, forceps, dental engine, scissors, knives, tonsillectomy sets, tracheostomy tubes, esophagoscopes, and many more. Tender No. S-4/425/69-70; bid deadline Mar. 24. Invited by the Director of Supply, Government of East Pakistan, 48 Motijheel Commercial Area, Dacca 2, East Pakistan. Cable: "SUPPLY," Dacca. Terms and specifications available on loan basis from the Scientific and Business Equipment Division, BDSA-653, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-2939). A review copy will also be available at the Department of Commerce Field Office, 11444 Federal Bldg., 450 Golden Gate Ave., San Francisco, Calif. 94102 (415-556-5868).

## 399 Manufacturing industries

**39992—INDONESIA**—Electrically driven "jackpot" machines, 110 volts. Required 50 to 100 pieces. Requests immediate delivery. Offers should be accompanied by illustrated leaflets, complete description. P. T. Redjeki Development Corp. (importer, manufacturer, exporter), 27-A Djalan Bunguran, Surabaya. WTD in preparation.

**39999 — FRANCE** — Beauty parlors massage machines; vibrators; and devices or equipment for slendering purposes; equipment for artificial sun-tanning; system, equipment or product for hair-growing. Institut Noel Blache—M. Alain Borg (beauty parlor), 88 Blvd. Clemenceau, 83-Toulon. WTD 2/70.

## New Trade Lists

*The Bureau of International Commerce has published the following trade lists of which mimeographed copies may be obtained by firms domiciled in the United States from BIC-924, U.S. Department of Commerce, Washington, D.C. 20230, and from Department of Commerce Field Offices. The price is $1 per list for each country.*

American Firms, Subsidiaries and Affiliates—Guatemala, February 1970

American Firms, Subsidiaries and Affiliates—Spain, January 1970

## Guatemala announces additional projects on water supply system

The Government of Guatemala invites bidding on construction of the portion XP-2 of the project, "Xaya-Pixcaya" (the new water supply system for the metropolitan area) between stations 34 + 606 and 40 + 311.

Work for two water tunnels and road construction, Tender No. T-1 was announced in the *Commerce Business Daily*, Feb. 18, 1970, and INTERNATIONAL COMMERCE, Feb. 23, 1970.

The works, Tender No. T-2, include the improvement, construction and maintenance of access roads leading to the project works of approximately 3.150 Kms. in length; earth filling works of approximately 4.425 Kms. in length; construction of aqueduct canals of approximately 4.425 Kms. in length; construction of various water tunnels totalling approximately .0375 Kms. in length.

The project is being supervised by the Unidad Ejecutora, Acueducto Nacional Xaya-Pixcaya, of the Ministerior de Comunicaciones y Obras Publicas. Funds will be allocated by the Guatemalan Government from an outstanding credit line committed by the Inter-American Development Bank.

The bid deadline is March 31. Bids should be presented in Spanish in sealed envelopes, indicating their contents.

Complete specifications are available from: the office of Ing. Enrique Godoy S., Director, Unidad Ejectuora, Acueducto Nacional Xaya-Pixcaya, Aeropuerto La Aurora, Zona de Aeronautica Civil, Zona 13, Guatemala City, Guatemala, upon delivery of 500 sheets of SCM 33 electrostatic photocopy paper. Plans and specifications for the overall water project are available upon delivery of 50 yards of 42"-wide heliograph paper.

A set of these specifications, plus the specifications for the Chimaltenango and Las Canas tunnels sub-project, Tender No. T-1, and a volume on the general construction specifications for the entire project, all in Spanish, are available for review in the offices of the Construction and Building Materials Division, Room 4813, Department of Commerce, Washington, D.C. (202-967-3602).

## Pakistan requests bids for waterworks items

Tenders are invited by the Chairman, Chittagong Water Supply and Sewerage Authority, 67 Panchlaish Residential Area, Chittagong, East Pakistan—Cable: "WASACH", Chittagong, for chlorinators and appurtenances and to include a manually operated two-ton capacity hoist and trolley assembly including an I-beam type rail having a straight run of 28 feet; surge suppressor, sluice gates, valves and chain link fence for the Kalurghat Booster Station.

The project is IDA financed. Bid deadline May 8. Tender No. CW-206.

Tender documents are available free of charge for licensed agencies or authorized representatives of established manufacturers from the above address.

## Visiting Buyers and Officials

*Scheduled arrival dates and U.S. addresses indicated*

**ARGENTINA**—Guillermo Jorge Magistretti, representing Guillermo Magistretti and Guillermo Jorge Magistretti, Casale 85, Chacras de Coria, Prov. Mendoza, **interested in advanced systems for processing and marketing dried fruit.** March via Houston for 6 mos. c/o 643 Bunker Hill Drive, Tempe, Ariz. 85281. Itinerary: to be arranged. WTD in preparation.

**AUSTRALIA**—Keith R. Bracken, General Manager, Hardman Chemicals Pty. Ltd., Cnr. Chapel & Fitzroy St., Marrickville, N.S.W. 2204, **interested in distributorships and/or licensing agreements with U.S. chemical manufacturers.** March 3 via San Francisco for 18 days. c/o New South Wales Center, 680 Fifth Ave., New York, N.Y. 10019. Itinerary: San Francisco, Los Angeles, Orlando, Fla., New York. WTD 12/69.

Denis Winter, Associate Director, H. Jones & Co. (Sydney) Pty. Ltd., P.O. Box 21, Chippendale, N.S.W. 2008, **interested in agencies for canned and frozen foods, such as berries, vegetables, sea food, and sophisticated food vending machines.** March 11 via San Francisco until April 7. c/o Kitchens of Sarah Lee, 500 Waukegan Road, Deerfield, Ill. 60015. Itinerary: San Francisco, Los Angeles, Seattle, Chicago, New York. WTD in preparation.

John J. Rutherford, Rutherford Electronics Pty. Ltd., 833 Doncaster Road, Doncaster, Vic. 3108, **interested in meeting U.S. electronic component manufacturers particularly in the semiconductor field, and requesting technical information.** March 9 via Los Angeles for 28 days. c/o National Semiconductor Corp., Inc., 2975 San Ysidro Way, Santa Clara, Calif. 95051. Itinerary: Los Angeles, San Francisco, New York, Milwaukee. WTD 4/69.

**BRAZIL**—Henrique de Botton, President, Mesbla S.A., Rua do Passeio 42/56, Rio de Janeiro, GB ZC-06, arrived in Miami Feb. 27 for approximately 3 weeks. c/o Sciaky Bros. Inc., 4915 West 67th St., Chicago, 60638 or the Palmer House. Itinerary: Miami, Chicago, Seattle, Washington, D.C., New York, Boston. WTD 10/69.

Hevandro de Mattos, Taquary Comercio e Industria Ltda., Av. Presidente Antonio Carlos 607, 9° andar, Rio de Janeiro, GB ZP, **interested in licensing agreements with American manufacturers of graphic art chemicals and requesting technical information on manufacturing techiques.** March 15 via New York for 20 days. c/o Lars Johannson, 47-20 30th St., Long Island City, New York 11101. Itinerary: New York, Pittsburgh, Philadelphia, Toledo, Ohio, Newark, N.J. WTD 10/69.

**CHILE**—Marcel Bunout, representing Union Tecnica S.A.C., Moneda 1140, Santiago, **interested in direct purchase and agencies for heavy trucks for road construction or mining operations.** March 15 via Miami for 12 days. c/o Dorsey Trailers, Elba, Ala. 36323. Itinerary: Miami, Elba, Oakland, Calif., Miami. WTD in preparation.

**FINLAND**—Raimo P. Tuuli, Oy Nokia Ab Electronics Division, P.O. Box 10780, Helsinki 10, **interested in digital transmission (PCM and date transmission) and electronic switching.** March 22 via New York for 3 days. c/o E. Korpivaara, Commercial Secretary, Consulate General of Finland, 200 E. 42nd St., New York, 10017 (212-687-1766). Itinerary: New York City and vicinity. WTD 3/69.

Gent-Olaf Mende, Tele-Tekno Oy, Karjalankatu 2, Helsinki 52, **interested in importing U.S. telephone materials and equipment and requesting technical information.** March 20 via New York for 15 days. c/o Department of Commerce New York Field Office. Itinerary: New York and vicinity. WTD 1/70.

**IVORY COAST**—Georges Amer, AMERCO, B. P. 1189, Abidjan, **interested in new lines of household appliances and gadgets.** March via San Francisco for about 3 weeks. c/o Department of Commerce San Francisco Field Office. Itinerary: San Francisco area. WTD 8/69.

**KENYA**—D. D. Vyas, Pan Mercantile Agencies, P.O. Box 30352, Nairobi, **interested in agencies for U.S. industrial chemicals, industrial machinery, plastic raw materials.** March 25 via New York for 21 days. c/o 354 Sample St., Pittsburgh. Itinerary: New York, Pittsburgh, Akron, Philadelphia, New York. WTD 11/69.

**SPAIN**—Secretary General American Chamber of Commerce in Spain Brigham G. Day, leader of a group of 170 Chamber members and their families, will visit the United States between March 12 and April 2 **for business discussions with American manufacturers, importers and exporters to investigate new market opportunities.** The group may be reached at the Hotel New Yorker, Eighth Ave. and W. 34th St., New York, N.Y. 10001. After the New York portion of the visit, the group will split and travel to several different U.S. cities. The Chamber has chartered an annual flight during the past 15 years as a means of establishing a closer relationship between U.S. and Spanish businessmen.

**SWITZERLAND**—Fred Bolleter, President, Contiflex AG, Florastrasse 17, 8700 Kusnacht, **interested in distributorships or agencies for Switzerland for electronics raw materials and components, including ceramic substrates, flat cables, chromium deposited glass substrates for photographic techniques and requesting technical information.** March 3 via Miami for 1 month. c/o Prince George Hotel, 14 East 28th St., New York, N.Y. 10016. Itinerary: 3/3-8 Miami;



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3/8-13 Philadelphia; 3/13-27 New York; 3/29-4/1 Minneapolis; 4/1-2 Chicago. WTD 7/69.

**TAIWAN**—C. C. Tsay, Engineer, Heighten Trading Co. Ltd., 16 Nanking East Road, Section 3, Taipei, **interested in representing U.S. manufacturers of microwave communication systems, oceanographic, limnological, meteorological research equipment, satellite navigation systems, geophysical research equipment, testing equipment for integrated circuits, transistors and diodes.** March 1 via San Francisco for 6 months. c/o Al Holt, Computer Test Corp., 3 Computer Dr., Cherry Hill, N.J. 3/5-4/30; John Pfaffmann, General Radio Co., West Concord, Mass. 01781 5/3-6; Gordon Fromm, Tektronix Inc., P.O. Box 500, Beaverton, Orgeon 97005 7/6-8/21. Itinerary: Cherry Hill, N.J. 3/5-4/30; West Concord, Mass. 5/3-6/28; Beaverton, Ore. 7/6-8/21; Los Angeles, 8/24-28. WTD 9/68.

**TANZANIA**—Mahmood H. Sheriff, Sheriff Dewji & Sons Ltd., P.O. Box 175, Arusha, **interested in exporting to the U.S. beans, pigeon peas, chillies, and papain.** About March 15 via New York for two weeks. c/o The Parker Trading Corp., 17 Battery Pl., New York, N.Y. 10004. Itinerary: New York, San Francisco. WTD in preparation.

**URUGUAY**—Jorge Saxel, Manapay Ltda., Corrito 507, Montevideo, **interested in citrus fruit growing, packaging, making juice, distribution, merchandising, export, operations of producer cooperatives and requesting technical information.** March 8 or 9 via New York for 15 days. c/o Robert Muins, 387 Parker Avenue, Hackensack, N.J. 07601. Itinerary: New York, Miami, other points in Florida as necessary. WTD 12/69.

# CEMIG of Brazil sets April deadline

Centrais Eletricas de Minas Gerais S.A., CEMIG, will receive at its main office, Rua Itambe, 114-Belo Horizonte, M. G., Brazil, not later than 4 p.m. April 15, applications for prequalification of bidders for the manufacture and delivery of permanent equipment for the Jaguara Hydro-Electric Development on the Rio Grande, and for the Step-Down Substation Taquaril, near Belo Horizonte. Operation of the equipment is required in 1971.

CEMIG has a loan from the World Bank and it is intended that proceeds from this loan will be applied for payments involved in this prequalification. Applicants must be from member countries of the Bank or from Switzerland.

Equipment to be delivered is classified according to the following groups:

1. SHF radio link 6425-6875 GHz, middle-haul 40 km, maximum capacity 300 channels, complete with multiplex, antennas, d.c. power supply, alarm reporting and control system.

2. UHF radio link 450-470 MHz short-haul 20 km. maximum capacity 24 channels, complete with voice and telemetering multiplex, antennas and power supply. Although not an imminent requirement, this equipment should be adequate for future high speed data transmission. Towers, buildings, batteries and civil works are to be excluded from the application.

Adequate written information, in Portuguese or English, on the following items at least is to be submitted:

Statement of group, or groups, as classified for which the application applies.

Manufacturing experience of at least five (5) years on materials and equipment included in the application. Applciants must submit a reference list and detailed data on experience gained during the last three years with the operation of multi-hop high density radio link.

Description of research, design and testing facilities. Probable delivery schedule for the equipment starting from date of award of order. Major orders on hand for similar equipment.

Last financial statement. If the manufacture is to be carried out by more than one of associated firms, at least one of them shall have the full experience as required and this one will be deemed to undertake full responsibility for the design, manufacture and guarantees. The sharing of manufacture among the firms shall be indicated, and specified which parts will be manufactured by each one of them.

The above required information shall be supplied for each one of the firms involved.

The radio and multiplex equipment must be manufactured by the same manufacturer.

Applications for prequalification may cover one or more of the above groups.

Manufacturers are cautioned to use first class air mail for remittance of applications and documents and not parcel post, as the latter involves considerable delay in delivery.

Negotiations with CEMIG will be held directly by the manufacturer's head office or through branch offices or subsidiaries. CEMIG will not deal wtih intermediaries or agents. Selection of manufacturers among the applicants will be at CEMIGs' judgment.

Invitations for tenders will be issued during 1970. Tenders will be requested and accepted from the selected applicants only.

# U.S. DEPARTMENT OF COMMERCE—FIELD OFFICES

Information and advice is available from these offices on: foreign markets for U.S. products and services, economic facts on foreign countries, firms with marketing facilities in foreign countries, trade and investment opportunities abroad, Government financing aid to exporters, foreign exchange regulations and procedures, export and import statistics.

**ALBUQUERQUE, N. MEX.**, 87101, U.S. Courthouse. Area Code 505, 843-2386.

**ANCHORAGE, ALASKA**, 99501, 412 Hill Bldg., 632 Sixth Ave. Area Code 907, 272-6531.

**ATLANTA, GA.**, 30303, 4th Floor Home Savings Bldg., 75 Forsyth St. N.W. Area Code 404, 526-6000.

**BALTIMORE, MD.**, 21202, 305 U.S. Customhouse, Gay and Lombard Sts. Area Code 301, 962-3560.

**BIRMINGHAM, ALA.**, 35205, Suite 200-201, 908 S. 20th St. Area Code 205, 325-3327.

**BOSTON, MASS.**, 02203, Room 510, John Fitzgerald Kennedy Federal Bldg. Area Code 617, 223-2312.

**BUFFALO, N.Y.**, 14203, 504 Federal Bldg., 117 Ellicott St. Area Code 716, 842-3208.

**CHARLESTON, S.C.**, 29403, Federal Bldg., Suite 631, 334 Meeting St. Area Code 803, 577-4171.

**CHARLESTON, W. VA.**, 25301, 3000 New Federal Office Bldg., 500 Quarrier St. Area Code 304, 343-6181 Ext. 375 and 376.

**CHEYENNE, WYO.**, 82001, 6022 Federal Bldg., 2120 Capitol Ave. Area Code 307, 634-5920.

**CHICAGO, ILL.**, 60604, 1486 New Federal Bldg., 219 S. Dearborn St. Area Code 312, 353-4400.

**CINCINNATI, OHIO**, 45202, 8028 Federal Office Bldg., 550 Main St. Area Code 513, 684-2944.

**CLEVELAND, OHIO**, 44114, Room 600, 666 Euclid Ave. Area Code 216, 522-4750.

**DALLAS, TEX.**, 75202, Room 1200, 1114 Commerce St. Area Code 214, 749-3287.

**DENVER, COLO.**, 80202, 16419 Federal Bldg., 20th and Stout Sts. Area Code 303, 297-3246.

**DES MOINES, IOWA**, 50309, 609 Federal Bldg., 210 Walnut St. Area Code 515, 284-4222.

**DETROIT, MICH.**, 48226, 445 Federal Bldg. Area Code 313, 226-6088.

**GREENSBORO, N.C.**, 27402, 258 Federal Bldg., W. Market St. P.O. Box 1950. Area Code 919, 275-9111.

**HARTFORD, CONN.**, 06103, Room 610-B, Federal Office Bldg., 450 Main St. Area Code 203, 244-3530.

**HONOLULU, HAWAII**, 96813, 286 Alexander Young Bldg., 1015 Bishop St. Area Code 808, 546-5977.

**HOUSTON, TEX.**, 77002, 5102 Federal Bldg., 515 Rusk Ave. Area Code 713, 226-4231.

**JACKSONVILLE, FLA.**, 32202, P.O. Box 35087, 400 W. Bay St. Area Code 904, 791-2796.

**KANSAS CITY, MO.**, 64106, Room 2011, 911 Walnut St. Area Code 816, 374-3141.

**LOS ANGELES, CALIF.**, 90024, 11th Floor, Federal Bldg., 11000 Wilshire Blvd. Area Code 213, 824-7591.

**MEMPHIS, TENN.**, 38103, 710 Home Federal Bldg., 147 Jefferson Ave. Area Code 901, 534-3214.

**MIAMI, FLA.**, 33130, Rm. 821, City National Bank Bldg., 25 W. Flagler St. Area Code 305, 350-5267.

**MILWAUKEE, WIS.**, 53203, Straus Bldg., 238 W. Wisconsin Ave. Area Code 414, 272-8600.

**MINNEAPOLIS, MINN.**, 55401, 306 Federal Bldg., 110 S. Fourth St. Area Code 612, 725-2133.

**NEW ORLEANS, LA.**, 70130, 909 Federal Office Bldg., S., 610 South St. Area Code 504, 527-6546.

**NEW YORK, N.Y.**, 10007, 41st Floor, Federal Office Bldg., 26 Federal Plaza, Foley Sq. Area Code 212, 264-0634.

**PHILADELPHIA, PA.**, 19107, Jefferson Bldg., 1015 Chestnut St. Area Code 215, 597-2850.

**PHOENIX, ARIZ.**, 85025, 5413 New Federal Bldg., 230 N. First Ave. Area Code 602, 261-3285.

**PITTSBURGH, PA.**, 15222, 2201 Federal Bldg., 1000 Liberty Ave. Area Code 412, 644-2850.

**PORTLAND, ORE.**, 97204, 217 Old U.S. Courthouse, 520 S.W. Morrison St. Area Code 503, 226-3361.

**RENO, NEV.**, 89502, 2028 Federal Bldg., 300 Booth St. Area Code 702, 784-5203.

**RICHMOND, VA.**, 23240, 2105 Federal Bldg., 400 N. 8th St. Area Code 703, 649-3611.

**ST. LOUIS, MO.**, 63103, 2511 Federal Bldg., 1520 Market St. Area Code 314, 622-4243.

**SALT LAKE CITY, UTAH**, 84111 3235 Federal Bldg., 125 S. State St. Area Code 801, 524-5116.

**SAN FRANCISCO, CALIF.**, 94102, Federal Bldg., Box 36013, 450 Golden Gate Ave. Area Code 415, 556-5864.

**SAN JUAN, P.R.**, 00902, Room 100, Post Office Bldg. Phone 723-4640.

**SAVANNAH, GA.**, 31402, 235 U.S. Courthouse and Post Office Bldg., 125-29 Bull St. Area Code 912, 232-4321.

**SEATTLE, WASH.**, 98104, 8021 Federal Office Bldg., 909 First Ave. Area Code 206, 583-5615.

# New Books and Reports

***Business in Japan: a three-volume set on doing business in Japan.* Edited by Robert J. Ballon. Sophia University, Tokyo. 666pp. $17.**

The three volumes and their individual prices are:

*Doing Business in Japan*, 221pp. $5—Studies Japan's financial policies, banking practices, capital market and consumer tastes, as well as legal practices, accounting practices, management practices and forms of business organization.

*Joint Ventures and Japan*, 138pp. $5—Describes the means of entering the Japanese economy, the establishment of joint ventures, contractual problems, corporate control, the anti-monopoly law, human aspects of management, technical procedures, and some organizational problems.

*The Japanese Employee*, 307pp. $8—Discusses the dimensions of industrial enterprise, motivational forces in Japanese life, the Japanese executive, the lifelong remuneration system, labor cost accounting, private pension plans, the labor movement and personnel, management in foreign corporations.

By the same publisher: *The International Businessman in Japan* ($4.50); *Automobile Demand Forecast* ($10); and *Foreign Loans to Japan* ($10).

**Write:** Sophia University Publications, 7 Kioicho, Chiyoda-Ku, Tokyo, 102 Japan.

***The American Role in the New World Economy.* By Judd Polk. Staff Memo published by the U.S. Council of the International Chamber of Commerce. 13pp. $1.**

Pointing out that "the best use of resources internationally is not just a matter of correct national allocation of resources coupled with a program of vigorous export promotion," Mr. Polk says, "There is an international economy now just as there are national ones and the key to its efficient operation lies in the proper production decisions. As the international allocation proceeds, lines of production that previously made cost sense in a national setting lose their economic justification. Then we get into a problem of international shifting of production exactly comparable to the shifts which are regularly forced within the nation as cost considerations demand the relocation of plants as a commonplace of competitive life."

The author wonders if it isn't time to take a closer look at the international allocation of resources to ensure that "the arbitrary pushing of higher cost U.S. production" through exports doesn't conflict with the ability of an American company through its overseas branches to produce the same item abroad at lesser cost.

**Write:** U.S. Council of the International Chamber of Commerce, 1212 Avenue of the Americas, New York, N.Y. 10036.

***The European Free Trade Association.* Published by DMS Inc., Greenwich, Conn., 1969. 750pp. $350 annual subscription.**

A comprehensive business and market information service, kept up-to-date by monthly supplements which revise a large loose-leaf binder of organized and analytical reports. Response to specific inquiries is part of the service. The eight nations of EFTA (launched as the Outer Seven) are covered in three ways—as a free trade area, as individual countries, and for four of their major industries—aircraft, business machines and computers, electronics and electrical equipment and motor vehicles.

This is the second major information service of the DMS-International division of DMS, itself a subsidiary of McGraw-Hill Publications. A DMS-I service on the European Economic Community (Common Market) provides the same coverage for much of the balance of Western Europe, and the two services are sold together at a discount.

Each service reports on pertinent marketing facts in the respective areas to help businessmen make decisions on selling, licensing, building, or trading. Economic and sociological summaries combine with facts and figures on industry and markets.

**Write:** DMS Inc., 100 Northfield St., Greenwich, Conn., 06830

***The Economics and Politics of East-West Trade.* By Jozef Wilczynski. Praeger, New York. 416pp. $12.50.**

Early sections of the book fill in the background, then the later parts, which make up the greater portion of the book isolate trends that favor the continued growth of reform in Eastern Europe and the easing of attitudes in the West, which has substantially aided trade contacts in the past decade.

**Write:** Praeger Publishers, 111 Fourth Ave., New York, N.Y. 10003.

***Compulsory Technical Regulations: List of Competent Bodies in EFTA Countries.* Published by the EFTA Secretariat. Geneva, 1969.**

This booklet is designed to provide exporters with appropriate sources of information concerning compulsory technical regulations in EFTA countries. For each country (Austria, Denmark, Finland, Norway, Portugal, Sweden, Switzerland, and the United Kingdom), there is a list indicating the types of products subject to compulsory technical regulation, and the names and addresses of the competent administrative bodies to which inquiries may be sent by exporters and others.

This appears to be a useful reference for exporters of electrical and communication equipment, materials handling equipment, fire protection equipment, appliances, non-electrical machines and apparatus, transportation equipment, pharmaceuticals and foods, fertilizers and insecticides, construction materials and other goods normally the subject of governmental regulation and control.

**Write:** EFTA Washington Information Office, 711 Fourteenth Street, NW., Washington, D.C. 20005

***Thailand Business-Legal Handbook.* By Charles Kirkwood and Associates for the Royal Thai Government Board of Investment. Bangkok, Thailand. August 1969. 85pp.**

The August 1969 issue of the Thai Business-Legal Handbook supersedes the edition published in 1968. This publication makes available to interested foreign investors current information about business law and practices in Thailand.

**Write:** Kirkwood, Kaplan, Russin, and Vecchi, South East Insurance Building, 315 Silom Road, Bangkok, Thailand.

***Survey of Mines: 1970.* Published by The Financial Post, Toronto. 368pp. $8.**

Designed for investors in Canada's mining industry, this year's version contains information on nearly 3,000 active mining companies. It also contains valuable data on more than 4,000 companies that are out of business, or have reorganized or merged into others. The latest detailed production figures and a table of eight-year stock price ranges are also included.

**Write:** The Financial Post, 481 University Ave., Toronto 2, Canada.



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# Calendar *for international traders*

**AURORA, IND.—Mar. 23**—Monthly meeting of the National Federation of Business and Professional Women's Club. **Speaker: Dr. Felix Turel, International Trade Specialist, Cincinnati Field Office.**

**BOSTON—Mar. 31**—Annual meeting of the Foreign Commerce Club of Boston, International House, 470 Atlantic Ave., 5:30 p.m.

**BRISTOL, CONN.—Mar. 23**—Export seminar on Quotation and Documentation 7 p.m. to 9 p.m., at the Bristol Chamber of Commerce, 81 Main St. Sponsors: Bristol Chamber of Commerce, REEC, and Commerce's Hartford Field Office.

**CHICAGO—Apr. 7**—Automotive Exporter's Club of Chicago meeting, Builder's Building.

**CLEVELAND — Mar. 25** — Export Workshop — Documentation — 10 a.m. to 12 noon, Conference Room, Greater Cleveland Growth Assn. 690 Union Commerce Building, E. 9th Street & Euclid Avenue.

**CLEVELAND—Apr. 3**—Twenty-Fifth Annual Cleveland Trade Conference. **Speaker: Robert McLellan, Deputy Asst. Secretary of Commerce for Business Development.**

**DANBURY, CONN.—Mar. 17**—Export seminar on Financing Export Shipments 7 p.m. to 8 p.m., at the State National Bank of Connecticut, 330 Main Street. Sponsors: State National Bank, Danbury Chamber of Commerce, REEC and Commerce's Hartford Field Office.

**DARIEN, CONN.—Mar. 25**—Export workshop, 9:30-noon, State National Bank of Connecticut's Board Room, 1101 Post Road. Sponsors: State National Bank, REEC, and Commerce's Hartford Field Office.

**DAYTON, OHIO—Mar. 25**—Third International Marketing Conference. University of Dayton, 9 a.m.-4:15 p.m. Sponsors: University of Dayton, Dayton World Trade Committee, REEC, Commerce's Cincinnati Field Office.

**DENVER—Apr. 9**—World Trade Club Luncheon. **Speaker: Robert McLellan, Deputy Asst. Secretary of Commerce for Business Development.**

**DETROIT—Apr. 16**—World Trade Club of Detroit, Pick-Fort Shelby Hotel, 6 p.m.

**DURHAM, N.H.—Apr. 1**—Third Symposium on International Business and International Trade Day, The New England Center, noon to 9 p.m. Sponsors: International Center of New England and New Hampshire Council on World Affairs.

**FAIRFIELD, CONN.—Apr. 7**—Export Managers of Bridgeport (Southern Connecticut) luncheon, 12-2 p.m., Fairfield Motor Inn.

**GALESBURG, MICH.—Mar. 24**—Monthly meeting of Western Michigan Trade Club, 6 p.m., Inman's Restaurant.

**HONOLULU — Apr. 15** — "How to Get Started in Export-Import' workshop, 10 a.m., Commerce Field Office.

**LITTLE ROCK—Apr. 15**—Seminar on Doing Business with Canada, Hotel Marion. **Speaker: Asst. Secretary of Commerce for Economic Development Robert A. Podesta.** Sponsors: Arkansas Industrial Development Commission, REEC, Commerce's Memphis Field Office.

**MEMPHIS—Apr. 7**—Export Documentation and Transportation Workshop, Memphis International Airport. Sponsors: REEC, Commerce Field Office.

**MEMPHIS—Apr. 21**—Memphis World Trade Club meeting, Sheraton Motor Inn.

**MEMPHIS—Apr. 22**—Export Workshop on the Commerce Department's Commercial Exhibits Program, Albert Pick Motor Inn. Sponsors: Mid-South Exporters' Roundtable, REEC, Commerce Field Office.

**MEMPHIS—Apr. 26**—Visit USA Workshop, with feature film "Company's Coming." St. John's Episcopal Church Auditorium. Sponsors: International Group of Memphis, Commerce Field Office.

**MILWAUKEE—Apr. 2**—Milwaukee World Trade Club monthly meeting, Holiday Inn-Midtown. **Speaker: Robert McLellan, Deputy Asst. Secretary of Commerce for Business Development.**

**MINNEAPOLIS — Apr. 1** — Export Trade Workshop. First of four sessions. Organizing for Export; Market Research. Commerce Field Office 3-5 p.m. Speaker: M. H. Kvaal, Gray Co. Sponsors: Minn. World Trade Ass'n, Commerce Field Office, REEC.

**NEW ORLEANS—Mar. 23**—Fourth of six weekly seminars on Export Financing and Credit Problems, 7:30 p.m., Louisiana State University in New Orleans. Sponsors: L.S.U., Louisiana-Mississippi REEC, Commerce Field Office.

**PHILADELPHIA—Mar. 24**—Monthly meeting of Foreign Traders Association of Philadelphia, Inc. at Sheraton Hotel. Shop talk at 5:00 p.m.; Dinner and general meeting at 6:00 p.m. **Speaker: Robert L. Pritchard, Office of International Trade Promotion, U.S. Department of Commerce,** Washington, D.C. Subject: Are You Missing the Boat?

**PHILADELPHIA—Mar. 25**—In-Office Workshop on Export Documentation. Philadelphia Field Office at 10 a.m.

**PITTSBURGH—Mar. 26**—Export Workshop, Commerce Field Office, 2 p.m.

**ST. LOUIS—Apr. 7**—"Show You" Export Workshop, Conference Room, Federal Building, 2 p.m. Sponsors: REEC and Commerce Field Office.

**SEATTLE—Mar. 24**—"Marketing & Forwarding for Exporters," 8021 Federal Office Bldg., 10 a.m. to noon. Sponsor: Seattle Field Office, U.S. Department of Commerce.

**SOUTH BEND, IND.—Apr. 23**—Export Seminar—Notre Dame University, South Bend, Indiana.

**TUSCALOOSA, ALA.—Apr. 7**—Export Seminar — Marketing Techniques for Overseas—6:30 p.m., Tuscaloosa YMCA, sponsored by Industrial Management Club of Tuscaloosa.

**WASHINGTON, PA.—Mar. 23**—Export Luncheon Forum, noon, Holiday Inn. Sponsors: Washington Chamber of Commerce and Commerce's Pittsburgh Field Office.

**YORK, PA.—Apr. 2**—Monthly meeting of York Area World Trade Association at York Chamber of Commerce offices, 12 Noon. **Speaker: James H. Lefeaver, Jr., Commercial Exhibits Division, U.S. Department of Commerce,** Washington, D.C. on Foreign Market Development Through Commercial Exhibits.

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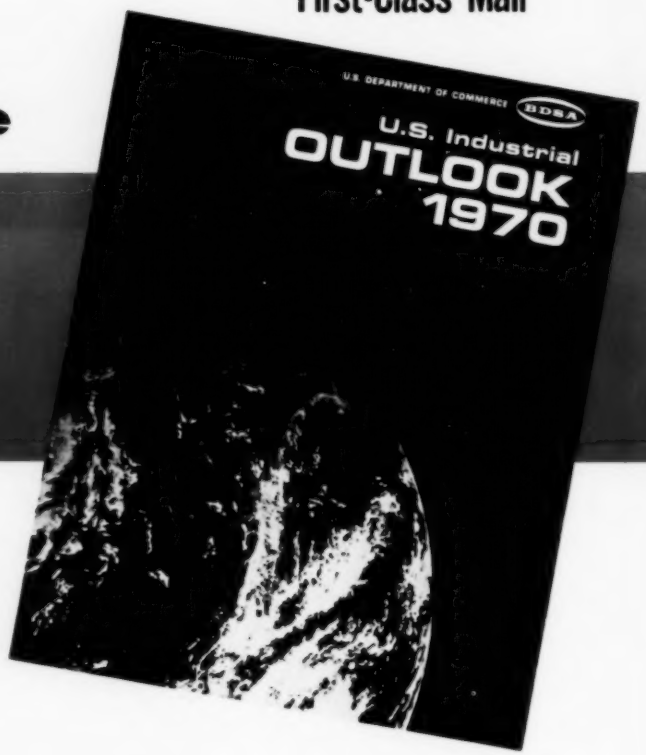


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